

JUNE 2017

ASEAN IN 2017 AND BEYOND

LIFE (RE)STARTS AT FIFTY

REPORT



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TABLE OF CONTENTS

Foreword	5
ASEAN cheat sheet	8
Recent milestones in EU-ASEAN cooperation	9
Conference report	10
EU, ASEAN should strengthen ties, as globalisation weakens	11
Free trade under pressure	13
Two regions, two histories	15
Economic relations are fundamental	17
New dimensions: strategic and political relations	21
Defusing tensions in Southeast Asia	23
Wealth gaps in poorer countries	26
An ASEAN identity?	28
Conclusion	32
Key statistics of EU-ASEAN trade & investment relations	34
Programme	36



FOREWORD

SUMMERTIME SIGNALS WARMER EU-ASIA TIES

Perhaps it's down to global uncertainties sparked by US President Donald Trump's volatile policies. Perhaps it's the result of the European Union's new Brexit-inspired sense of urgency and purpose. Or perhaps George Gershwin is right – and summertime just makes living easy. Whatever the reasons, Asia and Europe are finally starting a serious and strategic conversation on shared global challenges.

Europeans were active participants at the Belt and Road Forum held in Beijing earlier this month. EU foreign policy chief Federica Mogherini will attend the Association of Southeast Asian Nations Regional Forum and celebrations of ASEAN's 50th anniversary in Manila in August. European and Asian senior officials are meeting in June in Brussels ahead of the Asia-Europe Meeting (ASEM) foreign ministers encounter in Myanmar in November. There will be a gathering of ASEM economic ministers in Seoul in September, the first such meeting in many years.

It's not just the frequency of these and other encounters that is significant. Meetings between Asian and European leaders, ministers, policymakers and business representatives take place often enough. But they have habitually been much too formal, and in some cases little more than photo opportunities.

Although important challenges still lie ahead – and regrettably EU relations with India and Pakistan have yet to truly take off – Asia and Europe are slowly but surely expanding the scope and deepening the substance of their conversation.



Significantly, the EU's Trade Commissioner, Cecilia Malmström, is working hard to get trade deals finalised with Japan and several ASEAN countries. Talks on a region-to-region free trade agreement with ASEAN look set to be revived.

Trump's lack of commitment on issues such as global security, trade and climate change is one key reason for closer dialogue and contact between Asia and Europe which equally depend on and defend the rules-based multilateral global order.

The increasingly volatile international outlook also certainly demands stronger Asia-Europe cooperation. Whether it's North Korea's erratic nuclear conduct or violence in Syria, Asians and Europeans are equally concerned by the worsening global security situation and its impact on their own stability.

Refugees, terrorism and violent extremism, as well as cybersecurity threats, test both Asia and Europe. Tensions in the South China Sea worry Europe, which depends on those sea lanes for a large percentage of its trade.

Asians are concerned about the impact of Brexit on their investments in Britain and their economic ties with the EU-27. Both regions face the challenges posed by populists, rising inequalities, and meeting the aspirations of young people for jobs and a better life amid rapid technological transformations. Human rights in many Asian countries continue to be a source of major concern.

As illustrated by their interest in China's Belt and Road Initiative (BRI), the ASEAN Connectivity Master Plan and similar discussions within ASEM, both Asia and Europe give priority to forging stronger links between countries and regions, encompassing infrastructure, digital networks and people-to-people ties.

This new EU-Asia relationship is evident in four recent developments.

First, compelling new global realities are giving a new lease of life to ASEM. With its informal format and flexible structure, this forum offers a unique platform for an open, no-holds-barred brainstorm on all issues of mutual interest.

Second, EU relations with ASEAN are also advancing, as shown by Mogherini's trip to Manila. Future relations would get a boost if there is a quick ASEAN decision to open the doors of the East Asia Summit to the EU.

Third, although trade relations between Beijing and Brussels remain strained, the BRI has the potential to spark a more ambitious and truly strategic EU-China conversation on crucial issues of global peace, security and economic governance. As EU leaders prepare to meet Chinese Premier Li Keqiang for the 19th EU-China Summit in Brussels on 1-2 June, the EU should widen its view of BRI, seeing it as not merely as an economic 'project' but as a reflection of Beijing's ambitious vision of its role in a rapidly-transforming world.

And fourth, EU-Japan relations look set for an enormous geo-economic boost following the imminent conclusion of an ambitious comprehensive economic partnership agreement.

Maintaining the new momentum in Europe's ties with Asia's leading nations will continue to require hard work, clear-headed strategic thinking and a spirit of compromise. Expectations will also have to be managed.

So let's enjoy the summer and warmer EU-Asia ties – but make these relationships resilient enough to face possible storms and cold weather ahead.

Shada Islam

Director of Europe and Geopolitics at Friends of Europe

ASEAN CHEAT SHEET

- **10 member states:** Indonesia, Malaysia, the Philippines, Singapore, Thailand, Brunei Darussalam, Myanmar, Cambodia, Laos, and Vietnam
- **Population** – 625 million, which is 8.5% of the world's population
- Combined nominal **GDP** – US \$2.4 trillion (2016)
- **ASEAN Secretariat** is responsible for enhancing coordination and implementation of policies; based in Jakarta, Indonesia. Current Secretary-General – Le Luong Minh.
- **ASEAN Summit** is an annual meeting and the highest authority of ASEAN comprising the heads of governments/states responsible for all initiatives and directions of ASEAN. The chairmanship rotates annually in the alphabetical order of member states' names. Currently chaired by the Philippines.
- ASEAN builds regional cooperation in **three "community pillars"**: ASEAN Political & Security Community, ASEAN Economic Community and ASEAN Socio-Cultural Community
- **"ASEAN Way"** is a concept of multilateralism which advocates regional cooperation based on non-interference, informality, minimal institutionalisation, consultation and consensus, non-use of force and non-confrontation.
- The region has concluded **5 free trade agreements**, namely with China, South Korea, Japan, Australia & New Zealand, and India. It is currently negotiating an overarching agreement, the Regional Comprehensive Economic Partnership (RCEP), with these 6 countries.

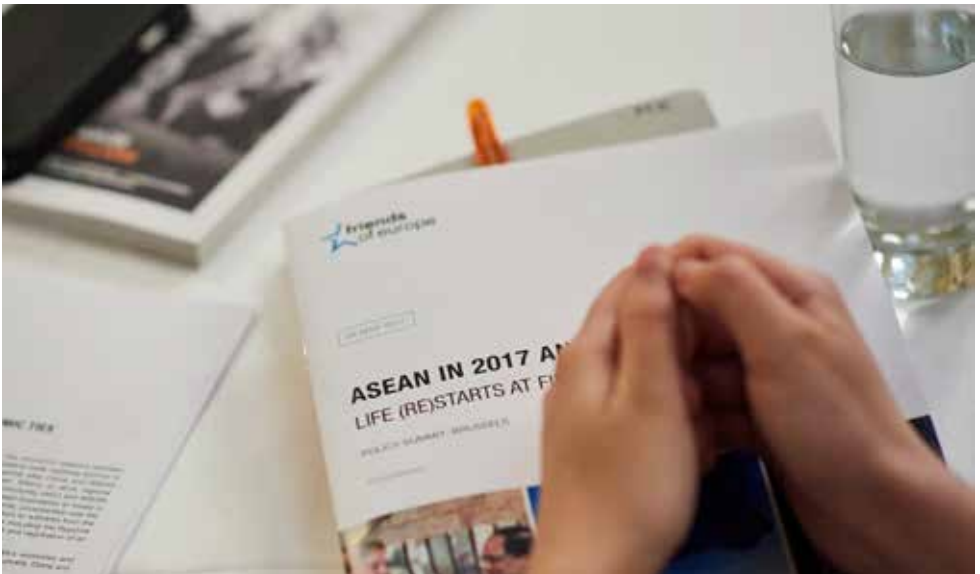
RECENT MILESTONES IN EU-ASEAN COOPERATION

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- 2012**
EU's accession to the Treaty of Amity and Cooperation in Southeast Asia (TAC), boosting political engagement in the region
 - 2013**
Adoption of the Bandar Seri Begawan Plan of Action to strengthen the ASEAN-EU Enhanced Partnership (2013-2017), which covers a wide range of areas of cooperation
 - 2014**
EU and ASEAN explore ways to elevate relations to a strategic level, marking the start of a renewed engagement (20th EU-ASEAN Ministerial in Brussels)
 - 2015**
The EU establishes a diplomatic mission to ASEAN and appoints a dedicated Ambassador
 - 2016**
ASEAN welcomes the EU's interest in furthering engagement with the region through all ASEAN-led processes (21st ASEAN-EU Ministerial in Bangkok)
 - 2017**
Celebration of the 40th anniversary of the establishment of EU-ASEAN diplomatic ties



Conference Report

EU, ASEAN SHOULD STRENGTHEN TIES, AS GLOBALISATION WEAKENS



The EU and ASEAN should react to the worldwide retreat from globalisation by boosting their efforts towards greater partnership, participants told a Friends of Europe Policy Summit.

The Association of South East Asian Nations was set up in 1967 at a time of global turmoil to promote greater political and economic integration. The past few decades have provided its members with a strong framework for economic growth, in particular the trend towards global free trade. As ASEAN reaches age 50, however, there are signs of a backlash against globalisation in Europe and the United States.

Greater cooperation between the EU and ASEAN could boost world trade. ASEAN is the EU's third largest trading partner and the EU is ASEAN's second, with bilateral trade reaching €201bn in 2015. The two partners have launched negotiations for a comprehensive air transport agreement, which would be the first accord to lay out an “open skies” or “open aviation area” arrangement between two major regional trading blocs. In addition, on 10 March, trade leaders from the blocs, including EU Commissioner Cecilia Malmström, announced the resumption of work towards a region-to-region FTA.

Efforts to boost economic integration between ASEAN members include work to develop the ASEAN Economic Community (AEC), which will promote free trade and the flow of skilled labour.

At its birth, ASEAN countries sought a forum for their small- and medium-sized countries amid a world beset by ideological tensions. “Southeast Asia wanted just a small stage, so that we would feel comfortable and maintain our own identities and profiles,” said **Surin Pitsuwan**, who was ASEAN Secretary-General from 2008 to 2012. Since then, the region has thrived, building platforms and networks, and the original five members – Indonesia, Malaysia, the Philippines, Singapore, and Thailand – have been joined by five more: Brunei, Cambodia, Laos, Myanmar, and Vietnam.

FREE TRADE UNDER PRESSURE

However, multilateralism now appears to be in retreat, with movements in the United States and Europe growing against globalisation. “The world is turning inward now and multilateralism seems to be under pressure,” said Surin. “We are having to look for a new modality in Southeast Asia. If you ask me, the answer should be more ASEAN – more economic partnership – because we can’t rely on what is happening around the world.”

That’s a concern ASEAN shares with the EU, which this year celebrated its 60th anniversary. “In the 21st century, middle age isn’t what it used to be,” said moderator **Shada Islam**, Director of Europe and Geopolitics at Friends of Europe. “The future is rather challenging, uncertain, volatile and sometimes troubling. The EU and ASEAN are both adapting to this new landscape. A lot of us share the view that the EU has to stand on its own feet, and ASEAN faces similar challenges. It is also going to have to reinvent itself in its own way.”

The key challenge for organisations, such as the EU and ASEAN, that support free trade is the reaction of people who are not immediate winners of trade liberalisation. “You see the influence of this in the votes in the UK and US,” said **Gunnar Wiegand**, Managing Director for Asia and the Pacific at the European External Action Service (EEAS). “Successful economic development is put into question by an important part of our populations. That is why it is important to pursue free and fair trade.”



“The world is turning inward now and multilateralism seems to be under pressure. The answer should be more ASEAN because we can’t rely on what is happening around the world”

Surin Pitsuwan
Secretary-General of the Association of South East Asian Nations (2008-2012)



“Globalisation will be the way to organise the world as long as the fruits are shared in an equal manner”

Pierre Amilhat

Director for Asia, Central Asia, Middle East/Gulf and Pacific at the European Commission Directorate-General for International Cooperation and Development

However, the difference now from the 1960s is that the old left-right ideological split has been replaced by a battle between openness and closedness. “This is the big divide,” said Wiegand. “This is the key challenge we share in ASEAN and the EU, and it puts ASEAN centrality under considerable strain. ASEAN was a way of avoiding ideological competition, but it is now a different competition.”

In both blocs, member states are responsible for policies such as taxation, which could reduce the extent to which globalisation leads to inequality. “We have to be careful of the political impact of inequalities,” said **Pierre Amilhat**, Director for Asia, Central Asia, Middle East/Gulf and Pacific at the European Commission Directorate-General for International Cooperation and Development. “Globalisation will be the way to organise the world as long as the fruits are shared in an equal manner. So, we need to look at how tax systems are working within countries: how government revenues are mobilised and how different sections of the population are affected.”

While domestic policies are the key to reducing inequality, multilateral organisations too need to reflect on their role in globalisation. “There are mostly winners, though clearly also some losers,” said **Reinhard Bütikofer**, Member of the European Parliament and rapporteur on the future of EU-ASEAN relations. “The lower classes in industrialised countries are the losers, and we have to address that through domestic policies. However, the EU cannot be managed by navel gazing and internal relationships. It must also contribute responsibly to shaping a better future. Normally people find it hard to understand the value of the status quo, so events like Brexit have contributed to the learning process.”

TWO REGIONS, TWO HISTORIES

There are some fundamental differences between the EU and ASEAN, which affect their roles. ASEAN, for example, began as a group of relatively small nations. “The EU remains our inspiration, not our model,” said Surin. “The big countries in Asia were China, Japan, India and Australia. But you started with bigger countries and then brought in smaller ones.”

In particular, ASEAN’s institutional structure is very different from that of the EU. “For ASEAN, the EU is always the reference point. But we must not forget that ASEAN as a group is constructed quite differently from the European Union,” said **Ong Keng Yong**, Executive Deputy Chairman of the S. Rajaratnam School of International Studies, who was Secretary-General of ASEAN from 2003 to 2007. “Here, you have the European Commission, which decides on policy issues and can roll out plans straight away. ASEAN is intergovernmental. If there is a typhoon in the Philippines, to have a statement you have to get agreement from different capitals. And by the time the statement is made, the typhoon has passed. So, we hope that governments in respective ASEAN countries will try to continue their domestic reforms, but it is slow because we don’t have a European Commission to say, ‘Let’s get on with it’. This is the kind of challenge we have in ASEAN today: How do we persuade respective governments to pursue domestic reforms?”

Southeast Asia’s biggest success has been economic. “In the 1960s, Southeast Asia was troubled and in poverty – a bit like the Balkans,” said **Wiryono Sastrohandoyo**, Member of the Board of Trustees of the Centre for Strategic



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Ong Keng Yong
Executive Deputy Chairman of the S. Rajaratnam School of International Studies, and Secretary-General of ASEAN (2003-2007)

“At 50, a person has probably reached maturity, but an organisation needs more years”

Wiryono Sastrohandoyo

Member of the Board of Trustees of the Centre for Strategic and International Studies Foundation, Indonesia

and International Studies Foundation, Indonesia. “But we got out of this. Now, Southeast Asia is part of the centre of gravity of East Asia.” But there’s plenty of work left to do for ASEAN, he said: “At 50, a person has probably reached maturity, but an organisation needs more years.”

To build upon the region’s economic success, ASEAN in 2007 adopted a blueprint for the ASEAN Economic Community (AEC), which was implemented on 31 December 2015. The AEC aims to turn ASEAN into a single market and production base, a highly competitive economic region, a region of fair economic development and a region fully integrated into the global economy.

“The AEC has already achieved one part of its agenda – to reduce tariffs and grow trade in goods,” said Ong. “ASEAN economies have become dynamic from the flow of goods. The main problem today is the trade in services, which is not growing as strongly as we would like. There are non-tariff barriers that slow down trade in services.”

However, trade liberalisation is difficult even with goods. “Our economic ministers feel that there will always be some products for which it will be emotionally difficult to reduce tariffs,” said Ong. “For certain products in the Philippines, you’d need to change the constitution. In Thailand, it would be almost impossible to remove the tariffs on rice.” As a result, it will be hard for ASEAN to form a customs union. “To develop a customs union, others would have to pay high tariffs,” he said. “The idea of a customs union in ASEAN does not find much favour.”

ECONOMIC RELATIONS ARE FUNDAMENTAL

The EU could contribute to ASEAN economic growth too. ASEAN is the EU's third largest trading partner and the EU is ASEAN's second, with bilateral trade reaching €201bn in 2015. "The economic relationship remains the bedrock of our relations," said Wiegand. "We have had a very proactive trade agenda, and already negotiated free trade agreements with Vietnam and Singapore."

The recent initiatives towards free trade underline that EU-ASEAN relations are founded on business. "In this anniversary year, we have an opportunity to take a pause and check if our ambitions are still there," said Amilhat. "Despite the great ambitions we have to take our partnership to a strategic level, including in security and political cooperation, we should not downplay our economic and trade relations. Market signals are very positive and they are validating the partnership, as is civil society."

However, business links are related to other goals. ASEAN's relations with China are important because it is in the EU's interest to keep maritime trade routes safe and free. Both blocs have an interest in making their economies greener and fighting environmental hazards. That makes it important to have dialogue over areas such as technology transfer in order to encourage private sector activity.

"We want to use development cooperation as an engine," said Amilhat. "What lies ahead of us is a stronger partnership to tackle global challenges. We need to deepen the quality



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Gunnar Wiegand
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Service (EEAS)

“Investment from the EU not only means numbers but also quality. That includes quality in business terms as well as other issues such as anti-corruption”

Dau Anh Tuan

Legal Director-General at the Vietnam Chamber of Commerce and Industry (VCCI)

of our dialogue on policies. Country systems are good for providing support into government coffers directly, but we also need to bring in the private sector as the development gap will not be filled without the private sector. So, we need to make things more attractive for the private sector, and we will do everything we can in this field.”

Fundamental to EU efforts will be the “Trade for All” strategy proposed by the European Commission in 2015, said **Helena König**, Director for Asia and Latin America at the European Commission Directorate-General for Trade. This aims to make sure that trade is compatible with core European principles such as human rights, sustainable development and high-quality regulation and public services at home. “The three cornerstones are a more-active agenda – not because we don’t believe in the WTO, but because of what is going on around us; an inclusive trade policy – meaning information to bring people knowledge of why trade is good; and European values – many of which are in fact global values.”



One factor in the idea for an EU-ASEAN region-to-region FTA is that some ASEAN members are not part of the Trans-Pacific Partnership (TPP). “We are trying to make a regional agreement which is more ambitious,” said König. “Not all ASEAN members are involved in the TPP. That was an impetus, as it is important to involve the other ones also so they are not left behind.”

The EU already has two FTAs with ASEAN countries – Singapore and Vietnam – so it is clear what kind of deal the EU is aiming for. “They know which basis we are engaging on, because we have already concluded two agreements,” said König. “We are at least in the same ballpark about where we want to land.”

The rewards in Southeast Asia could be greater private investment, if industries can operate there more like they do in the EU. “Our industry sets up production chains with components in one country and they do other things in another country,” she said. “So there is a case for having production chains throughout ASEAN. Companies shop around. They ask themselves how well can they use a country as a base.”

A positive impact is already being felt from the FTA with Vietnam, said **Dau Anh Tuan**, Legal Director-General at the Vietnam Chamber of Commerce and Industry (VCCI). “The EU is now one of the top three investors in Vietnam, and Vietnam benefits a lot from European technology,” he said. “From my experience, investment from the EU not only means numbers but also quality. That includes quality in business terms as well as other issues such as anti-corruption. EU investors are very active, and they have a big influence in Vietnam.”



“We started region-to-region negotiations about a decade ago, but we were not in the same ballpark about where we wanted to land and it fell apart”

Helena König, Director for Asia and Latin America at the European Commission Directorate-General for Trade

That EU reputation for sound regulation has been a boon in trade relations. “The EU clarity of regulation has facilitated ASEAN exports,” said Ong. “In the EU, the protection of consumer interests is very strong, so exporters of seafood from Thailand and Vietnam have learned. The EU also has strong transparency and established procedures to deal with disputes. In ASEAN, even in an advanced country like Singapore, we still have some way to go on rules like this. We appreciate the transparency, but our business people must know more and be given more time to adapt to these rules and regulations. We have to do more capacity building. Many of our exporters are small- or medium-sized, so they require a lot more hand holding.”

Negotiations towards an FTA first began in 2007. But they were paused in 2009, amid slow progress and a lack of consensus among ASEAN member states in areas other than trade in goods. This would have led to a deal less ambitious in coverage than the EU had wanted.

“We started region-to-region negotiations about a decade ago, but we were not in the same ballpark about where we wanted to land and it fell apart,” said König. The EU might consider a TPP-like FTA for the future, she said. “That would make sense if we really want to support the ASEAN market. But we have not actually come to a conclusion. At the same time, we do scoping exercises during bilateral negotiations in order to find a landing zone. The way we are working is a process. We’ll see by next year what kind of model we will come up with and we’ll also see more on the timing.”

NEW DIMENSIONS: STRATEGIC AND POLITICAL RELATIONS

External threats to the EU and ASEAN are pushing them together in areas beyond trade. In 2015, Federica Mogherini, the High Representative of the Union for Foreign Affairs and Security Policy, said that ASEAN should not “look at the EU only as an economic or trade partner, but also as a foreign policy and security partner”.

“Years ago, we had difficulty trying to be attractive to the EU, and we had rocky times in the region-to-region relationship,” said **Delia Domingo-Albert**, who was Foreign Affairs Minister of the Philippines from 2003 to 2004. “Now is the time to celebrate the relationship and at the same time confront the challenges. In the current situation, certain external threats are pulling us together again. I was amazed by Mogherini’s comment that ASEAN should look at the EU as a partner on a security and political level. This may spur a level of interest in relations between the EU and ASEAN.”

One of the barriers to deeper ties between the EU and ASEAN has been the EU insistence on certain norms and values, said Surin: “The pressure is good, and I wanted pressure to promote civil society when I was Secretary-General. But I was told that it had to be our civil society.”

Wiegand acknowledged that this aspect of EU policy could sometimes cause problems. In May, for instance, Mogherini publicly supported an international mission to look into



**“Now is the time
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Delia Domingo-Albert
Foreign Affairs Minister of the
Philippines (2003-2004)

The two blocs should look for strategic areas where they can cooperate, such as human trafficking and the environment

alleged human rights abuses by Myanmar's security forces against Rohingya Muslims. "It is not always appreciated when we uphold norms and values," he said. "But this is what Europe stands for: democracy, the rule of law and human rights. We have principles that will be reflected in all our relations."

The two blocs should look for strategic areas where they can cooperate, such as human trafficking and the environment, where the EU has shown commitment. "I want to see closer and more advanced action between the EU and ASEAN on major platforms of the world," said Surin. "The caveat would be more commitment from Europeans on issues of importance to us in the East." That could include giving a greater role to the ASEAN Regional Forum, an ASEAN-centred multilateral dialogue for diplomacy in the Asia-Pacific region of which the EU is a participant. "The ASEAN Regional Forum should be treated as a growing adult rather than as a baby – or it will be a baby for ever."



DEFUSING TENSIONS IN SOUTHEAST ASIA

There are still a number of unresolved disputes in and around Southeast Asia, so any actions must be directed at maintaining peace, said Ambassador Wiryono. “We want to be independent but also active,” he said. “We have mainland and maritime ASEAN countries, and we must be making the choice for peace.” Regional stability depends largely on non-ASEAN powers: “It is difficult because we have a rising power and an established power. But we have to prevent confrontation.”

In particular, there is a risk of confrontations in the South China Sea and on the Korean peninsula. “The main challenge is the governance of the South China Sea – to keep it accessible and free,” said Surin. “China, too, is dependent on peace and security of that region. The other is the Korean peninsula, which has the possibility of going out of control. But these are subsumed under the US-China relationship.”

Part of China’s vision for Asia-Europe relations can be seen in the ‘Belt and Road’ project to create a 21st century Silk Road. “The Belt and Road is not a charity; it is a strategic vision,” said Surin. “It is a superpower trying to extend its resources and magnanimity. Everybody wants funds and resources, and a rising country with tremendous resources would want to fill that gap. We have to be on guard and interact with tremendous care.”

“We want to be independent but also active, we must be making the choice for peace”

Wiryono Sastrohandoyo

Member of the Board of Trustees of the
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“The Belt and Road is crossing a lot of poor countries, and we hope that these countries will benefit from it”

Pierre Amilhat

Director for Asia, Central Asia, Middle East/Gulf and Pacific at the European Commission Directorate-General for International Cooperation and Development

The Belt and Road initiative is unprecedented, said Amilhat. “It is the first time for the Chinese to try to do their strategic investment in an open way,” he said. “The Belt and Road is crossing a lot of poor countries, and we hope that these countries will benefit from it. They can benefit by equipping themselves with services.”

The initiative comes, notably, at a time when the US has pulled out of the TPP, said Ambassador Wiryono. “So from the Chinese point of view, it is very effective and it’s attractive. Napoleon once said that China is a sleeping dragon, and when she wakes up the whole world will tremble. But please remain calm: for the time being, our common interest with the Chinese is economic.” China is also struggling with its domestic economic challenges, he pointed out. “China is a superpower, but still has lots of people under the poverty line. And Deng Xiaoping said that if you want development, don’t make war.”

The Philippines brought an arbitration case against China under the United Nations Convention on the Law of the Sea concerning China's claim to sovereignty over most of the South China Sea. An international tribunal in The Hague found in 2016 that China's claim had no legal basis.

"The South China Sea gives the Philippines a sensitive role to play," said Domingo-Albert. "Look at the map. Look at where we are." As a former American colony, the Philippines had long depended for security on its relationship with the US. "This strong relationship went on for many years," she said, "but this sense of reliance – that they were there to be with us in times of crisis – has changed."

That gave Manila a sense of responsibility towards the region to keep the South Pacific route as open as possible. "This is the main reason we took the case to court," she said. "Some people were not happy that we did this. Perhaps it is also part of our American legacy as well to be legalistic."

She emphasised the limited nature of the Philippines' case. "The court did not decide on sovereignty; the court decided that it was not right for China to build on those rocks," she said. "It was made clear that we had to respect the UN Convention on the Law of the Sea. We were not able to convince everybody to come along with us: there were differences and we respect that. But our point was that there is a rule of law – an important governing structure to which we should submit. Suddenly geography has become an important aspect of our foreign policy."



WEALTH GAPS IN POORER COUNTRIES



“There has been a lot of effort to integrate developing ASEAN countries including Cambodia and Laos. But we need to engage at a local level!”

Chem Srey Oeun

2016 Young Southeast Asian Leader and Research Manager at Kantar TNS Cambodia

Three decades of globalisation have created both winners and losers in Southeast Asia. Some have entered the burgeoning urban middle class, but many others still live in poverty. “There has been a lot of effort to integrate developing ASEAN countries including Cambodia and Laos,” said **Chem Srey Oeun**, 2016 Young Southeast Asian Leader and Research Manager at Kantar TNS Cambodia. “But we need to engage at a local level. We need to look at how the economies of each country are performing. There is a lot of effort by governments to increase the minimum wage in order to reduce inequality. But this does not have an impact on everyone. We see a lot of middle class emerging, but we are still struggling in terms of access to technology.”

ASEAN has taken some initiatives to improve conditions, such as the ASEAN Commission on the Promotion and Protection of the Rights of Women and Children. That is progress, said **Yuyun Wahyuningrum**, Senior Advisor on ASEAN and Human Rights at the Human Rights Working Group, Indonesia. “But what we want to see is what can be done on the ground.”

For example, ASEAN governments often fail to realise that countries that are a source of migrant workers can also be destinations for migrant workers. “The division and fragmentation of sending and receiving countries should be

discussed in a manner that recognises that every country can be in the position of receiving migrants,” she said. “As long as ASEAN cannot be honest about the problem, it cannot be solved.”

Still, ASEAN is making some progress in helping the victims of trafficking. “ASEAN has concluded a number of agreements, and legal aid organisations have come together to provide aid for victims,” said Wahyuningrum. “It is obvious that there is a need for cooperation amongst states and civil society. ASEAN wants to go in the right direction to develop human rights norms. They are trying to introduce more standardised procedures in terms of child protection, so guidelines will provide you with directions on how to go, step by step. So progress is being made in the area of human rights.”

Some ASEAN governments are reluctant to attend working groups on subjects that are awkward for their country. “In relation to illegal migrants, ASEAN has organised a number of meetings, but some countries do not want to turn up,” said Wahyuningrum. “If the name contains ‘Rohingya’, then some people don’t want to attend. But if it is about ‘boat people’, then they might. However, if only six countries come to a meeting, it is not ASEAN.”

Neither Europe nor ASEAN are dealing properly with some problems, said **Jean-Pierre Lehmann**, Professor Emeritus of International Political Economy at IMD. “Illegal migration is an issue not being addressed by ASEAN, but Europe too has not addressed the issue strategically or humanely,” he said. “We need a global approach. There are estimated to be more than 20m slaves in the world. This is a scandal in the 21st century. Businesses, too, have a responsibility. I say you can’t just look away. Why does someone get into a boat that might sink with their family? They have to be pretty desperate.”

“Illegal migration is an issue not being addressed by ASEAN, but Europe too has not addressed the issue strategically or humanely”

Jean-Pierre Lehmann

Professor Emeritus of International
Political Economy at IMD

AN ASEAN IDENTITY?



“If you ask people in Southeast Asia, they will say, ‘I am Indonesian and Javanese’, but they don’t commonly feel part of the region. Common identity remains a work in progress”

Yuyun Wahyuningrum

Senior Advisor on ASEAN and Human Rights at the Human Rights Working Group, Indonesia

Many Europeans feel multiple identities – as members of their region, country and the EU, but this is not yet the case in Southeast Asia, said Wahyuningrum. “If you ask people in Southeast Asia, they will say, ‘I am Indonesian and Javanese’, but they don’t commonly feel part of the region,” she said. “Common identity remains a work in progress.”

There are two ways forward, she said. One is through the ASEAN Charter, which sets out principles for the region. Another is through events such as the ASEAN’s People’s Forum, which brings together civil society actors. “The number of people coming to this forum has increased, even though people attending have to find their own sources of funding,” she said. “So they are eager and want to know about ASEAN. I believe there is a need to minimise the gap and to have a dialogue – to have a mechanism for people and states to come together. This kind of effort deserves to be done.”

However, Wahyuningrum said, “In terms of identity, people will reject the identity of ASEAN if it ignores people’s rights. If it means that the Rohingya will be the most persecuted people in the world, then we are against that identity.” What ASEAN needs to promote, she said, are: “The respect of human rights, having personal security by living in this region, living in peace, the rule of law and good governance.”

The lack of an ASEAN identity means that Southeast Asians tend to think about the organisation in terms of its leaders and their work, which mostly deals with economic



relations. “The leaders of the ASEAN community mostly cooperate on trade,” said **Ma Thida**, a writer, human rights activist and former prisoner of conscience from Myanmar. “So we feel that we are not integrated into the community and focus most of the time on the heads of the community. But where are the hearts?” Human rights is one area where normal citizens understand little of what’s going on, she said: “We really do not learn much about each other. Because of colonialism, we might know more about Europe than each other.”

Southeast Asia has problems related to knowledge, which start with propaganda, censorship and low-quality education, Thida said. These have in some sense been exacerbated by overabundant online information. “Social media do not always help us learn, as information is overwhelming,” she said. “We know more and more

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“The EU is not just defended at the EU level: there has to be EU-centrism and ASEAN-centrism in national policies. If there is not ownership of the community, it will not be successful”

Reinhard Bütikofer

Member of the European Parliament
and rapporteur on the future of EU-ASEAN relations

but understand less and less because of this boom in information. As a result there is a disharmony of knowledge, and your concerns are not our concerns. Please analyse our concern and let’s solve the problem together.”

An effort is also needed to help the different members of ASEAN grasp each other’s circumstances, which is particularly difficult because of the divide between its richer and poorer nations. “We don’t understand one another,” said Chem Srey Oeun. “At one meeting I attended, there were only a few countries that could understand our problems: Cambodia, Vietnam and Laos. Thailand and others did not. But others could assist by providing ideas and sharing the experiences they have been through, so that we can achieve the same dream in terms of integration.”

That's actually a problem shared with the EU, where there is talk of fiscal and banking union, but not so much of a union of European people. "ASEAN must learn from the mistakes committed by the EU," said Lehmann. "Europe's failure is failure to convey a dream." At the start of ASEAN, the Filipino didn't know the Indonesian – they were discovering each other," he said. "We have gone past that, and the elite are at ease with each other. But it hasn't filtered down. We, the elite, have sold it badly."

If a family of nations like the EU or ASEAN are not founded well in the hearts of the people, they can be sustained for a while in the institutions – but they will never thrive in the long term, said Bütikofer. "So I think we should clearly invest in people-to-people exchanges and exchanges between parliamentarians or young leaders," he said. "The EU is not just defended at the EU level: there has to be EU-centrism and ASEAN-centrism in national policies. If there is not ownership of the community, it will not be successful."

Communication between the EU and ASEAN will not be helped by the United Kingdom's planned exit from the EU. Much of the information on Southeast Asia that Europeans read comes from British media, and Southeast Asians read British publications to get information on Europe.

"We have to take a fresh look at each other," said Bütikofer. "A lot of ASEAN perceptions of the EU are framed through a British lens, so after Brexit where are you going to look to understand what's happening in the EU? We need to invest in this in a very practical way. We can't expect it to happen by itself."

More concretely, said Ong, "Maybe we have to learn French or German... I've heard Spanish is the easiest language to learn."

CONCLUSION

There is great potential for ASEAN and the EU to work together even more closely, especially in economic links. However, the organisations are fundamentally different in terms of their aims and outlooks, so it should not be assumed that their aspirations will always overlap. That said, they can take lessons from each other in terms of projects such as the idea of regional citizenship – something that evolves over decades.

The stimulating, multi-faceted and dynamic discussions covered a wide range of issues and all panelists made strong points and recommendations on taking EU-ASEAN cooperation to the next stage.

Below are some of the salient conclusions that FoE thinks are worth highlighting:

1. The changing global landscape makes EU-ASEAN relations even more vital on issues of trade liberalisation, global security and achieving Agenda 2030 as well as climate change.
2. The EU and ASEAN should work together to make sure that the fruits of globalisation are shared in an equal manner. Reducing the wealth gap between and within countries will be key.
3. Economic relationships remain the bedrock of EU-ASEAN relations. European businesses should take advantage of ASEAN's efforts to drive regional economic integration, particularly through the ASEAN Economic Community (AEC).
4. Greater cooperation between the EU and ASEAN could boost world trade, making the resumption of work towards a region-to-region FTA all the more vital. However, the EU and ASEAN must make sure to pursue free and fair trade to avoid a deepening of inequalities.

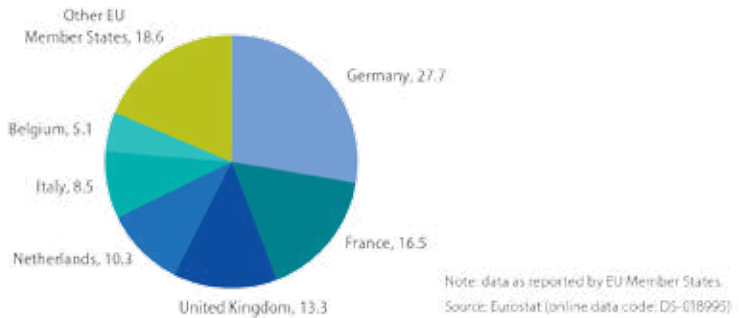
5. The EU and ASEAN should build on their success of taking their cooperation “beyond trade”, and continue working together on a wide variety of issues, including the defusing of tensions in the Asia-Pacific region and through their human rights dialogue.
6. Whilst their many similarities make the EU and ASEAN ‘natural partners’, their different circumstances should not be glossed over. Making sure that dialogue is reciprocal and on an equal footing is vital.



KEY STATISTICS

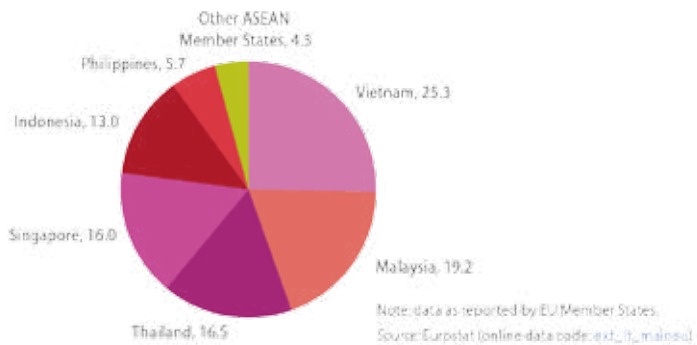
WHO ARE THE MAJOR EU EXPORTERS TO ASEAN?

Trade flows between the EU and ASEAN have nearly doubled over the past decade, with ASEAN now being the EU's third largest trading partner and the EU ASEAN's second largest trade partner after China. Some EU member states have taken the lead on trade relations with the region: in 2015, the largest exporters of goods from the EU 28 to ASEAN were Germany, France, the United Kingdom and the Netherlands.



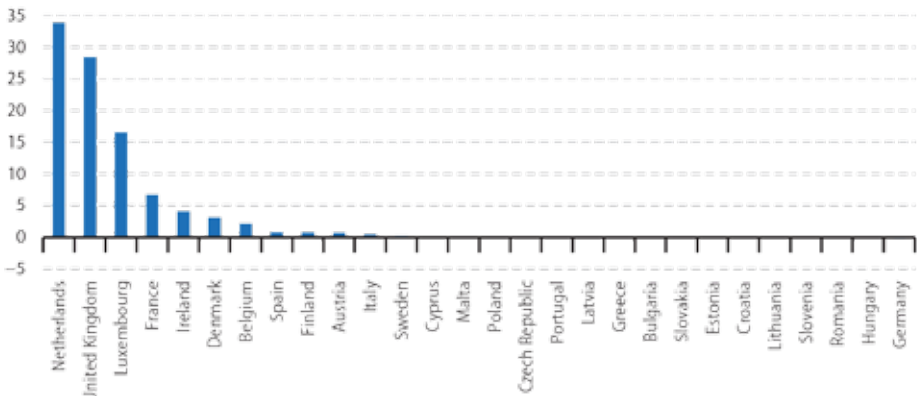
WHO ARE THE MAJOR ASEAN EXPORTERS TO THE EU?

Vietnam, Malaysia, Thailand, Singapore and Indonesia are the largest ASEAN exporters to the EU.



WHO ARE THE MAIN EU INVESTORS IN ASEAN?

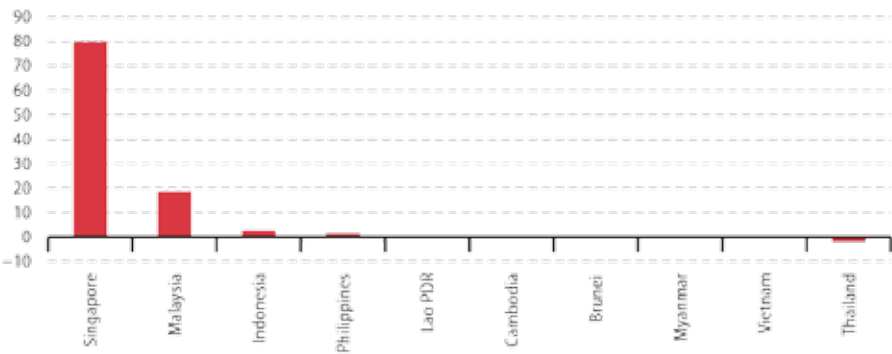
Overall, the EU is the biggest investor in ASEAN countries, with a total Foreign Direct Investment (FDI) inflow of €131.6bn. The main source of net outflows of FDI from the EU to ASEAN between 2013 and 2015 were from the Netherlands, the United Kingdom and Luxembourg, collectively providing nearly 80% of all EU FDI to ASEAN.



Note: data as reported by ASEAN Member States. Source: ASEANstats

WHICH ASEAN COUNTRIES ARE THE LARGEST INVESTORS IN THE EU?

Singapore is by far the largest ASEAN investor in EU member states, representing around 80% of net inflows of foreign direct investment from ASEAN to the EU.



Note: data as reported by EU Member States. Source: Eurostat (online data code: bsp_fdi_6_flow)

PROGRAMME

SESSION 1 ASEAN AT FIFTY: LIVING IN A CHALLENGING WORLD LOOKING BACK, LOOKING FORWARD

Rapid geopolitical changes pose a challenge for both Europe and Asia. EU celebrations of the 60th anniversary of the signing of the Treaty of Rome came only days before Britain formally notified its decision to leave the Union. The Association of Southeast Asian Nations (ASEAN) will be 50 years old in August this year and has certainly come a long way in ensuring peace and stability in the Asia-Pacific while also pushing ahead with efforts at building an ASEAN Economic Community (AEC). Both Europe and Asia, however, have to adapt to changing global dynamics including continuing uncertainty over the future direction of US policy in Asia and the emergence of a more pro-active and self-confident China.

- How is ASEAN coping with the many “unknowns” of the new US Administration's policies towards Asia and conflicting Sino-America interests and rivalries?
- Given changed global geopolitics, can Europe become a more important political and security partner for ASEAN?
- Can ASEAN continue to ensure its “centrality” in a stable regional security architecture in the Asia-Pacific?
- What are the key achievements of ASEAN and the key challenges it faces as it turns fifty?
- How are Europe and ASEAN tackling the specific problems of ASEAN sub-regions like the Mekong Delta?

Speakers:

Pierre Amilhat, Director for Asia, Central Asia, Middle East/Gulf and Pacific at the European Commission Directorate-General for International Cooperation and Development

Delia Domingo-Albert, Foreign Affairs Minister of the Philippines (2003-2004)

Surin Pitsuwan, Secretary-General of the Association of Southeast Asian Nations (2008-2012)

Wiryono Sastrohandoyo, Member of the Board of Trustees of the Centre for Strategic and International Studies Foundation, Indonesia

Gunnar Wiegand, Managing Director for Asia and Pacific at the European External Action Service (EEAS)

Moderator: Shada Islam, Director for Europe & Geopolitics at Friends of Europe

SESSION 2 GLOBALISATION: WINNERS AND LOSERS

AGENDA 2030, ASEAN'S MIDDLE CLASS AND PEOPLE-TO-PEOPLE LINKS

Almost three decades of globalisation have changed both Europe and Asia, creating both winners and losers - people who can adjust to domestic and international competition, and those who lag behind relatively. ASEAN for instance has seen a massive increase in its urban middle class. But with many still living in poverty, the region must also move fast to implement many of the Sustainable Development Goals (SDGs) covered by Agenda 2030, including those related to women and children. Meanwhile, efforts to build stronger people-to-people ties across ASEAN and between the EU and ASEAN remain important, including through programmes such as Erasmus+ and SHARE.

- Who are the main winners of globalisation in ASEAN and what can be done to help those who have not benefitted from economic liberalisation and openness?
- How is the growing urban middle class impacting on ASEAN's economic, political and societal landscape?
- Which parts of Agenda 2030 are especially relevant to meeting ASEAN's developmental challenges and how can they be implemented?
- How successful has the group been in creating a common identity and stronger bonds between citizens?
- What progress has been made so far in encouraging

Speakers:

Reinhard Bütikofer, Member of the European Parliament and rapporteur on the future of EU-ASEAN relations

Chem Srey Oeun, 2016 Young Southeast Asian Leader and Research Manager at Kantar TNS Cambodia

Jean-Pierre Lehmann, Professor Emeritus of International Political Economy at IMD

Ma Thida, Writer, Human Rights Activist and former Prisoner of conscience, Myanmar

Yuyun Wahyuningrum, Senior Advisor on ASEAN and Human Rights at the Human Rights Working Group, Indonesia

Moderator: Shada Islam, Director for Europe & Geopolitics at Friends of Europe

SESSION 3 BOOSTING EU-ASEAN ECONOMIC TIES

NO MORE BUSINESS AS USUAL

Fourty years after they established official diplomatic ties, economic relations between the two regional groupings are forging ahead. With bilateral trade reaching €201bn in 2015, the EU has become ASEAN's biggest trading partner after China, and ASEAN now represents the EU's third largest trading partner. Efforts to drive regional economic integration and create an ASEAN Economic Community (AEC) and ASEAN Connectivity Master Plan are increasingly attracting European businesses to invest in the region, accounting for 21.5% of total FDI flows. Meanwhile, uncertainties over the future of the Trans-Pacific Partnership following the US decision to withdraw from the trade pact have given added impetus to other trade initiatives including the Regional Comprehensive Economic Partnership (RCEP) trade agreement and negotiation of an EU-ASEAN FTA.

- How does the EU-ASEAN relationship compare with ASEAN's economic and diplomatic ties with other global players, including the US, Australia, China and Japan?
- What are the experiences with the different bilateral FTAs between the EU and ASEAN member states and what are the perspectives for a region-to-region FTA?
- Are European business leaders seizing the economic opportunities offered by the ASEAN Economic Community and the connectivity initiatives, including in the digital sector?
- Are ASEAN countries doing enough to create an economic environment which is attractive for European investors?
- With more than 11 million people travelling each year between the two regions, what impact would a Comprehensive Air Travel Agreement (CATA) have on tourism and connectivity among people?

Speakers:

Helena König, Director for Asia and Latin America at the European Commission Directorate General for Trade

Ong Keng Yong, Executive Deputy Chairman of the S. Rajaratnam School of International Studies and Secretary-General of the Association of Southeast Asian Nations (2003-2007)

Dau Anh Tuan, Legal Director-General at the Vietnam Chamber of Commerce and Industry (VCCI)

Moderator: Shada Islam, Director for Europe & Geopolitics at Friends of Europe



**“In the 21st century,
middle age isn’t what
it used to be”**

Shada Islam
Director of Europe and Geopolitics
at Friends of Europe





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