

ASEAN Economic Community 2015 and its impact on the Security Architecture of South East Asia

REPORT

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4th Europe – China Forum Shaping a shared future

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Establishing a border-free ASEAN Economic Community (AEC) is one of the three ambitious inter-related integration objectives set out by the 10-member Association of Southeast Asian Nations (ASEAN). The ASEAN integration blueprint also calls for the creation of an ASEAN Political-Security Community and an ASEAN Socio-Cultural Community. The aim is to create a border-free ASEAN Economic Community by the end of 2015, an ambitious goal in view of the comprehensiveness of the objectives involved: full economic integration through a single market, free flow of goods, services, skilled labour, capital and investment, the removal of all customs barriers and the implementation of a visa-free zone among the 10 ASEAN members.

Overall expectations are high, especially as regards the anticipated impact on regional connectivity, the global competitiveness of the region, as well as the expected boost to intra-ASEAN trade. Unresolved concerns over the security challenges of the AEC, such as border management, the spread of cross-border crime, smuggling and terrorism as well as ongoing political tensions continue to overshadow much of the shared euphoria over the AEC project.

Friends of Europe and Hanns Seidel Foundation co-hosted a debate on 4 November to review the achievements made to date and to scrutinise the security implications of the process. Speakers included **Steven Everts**, Counsellor in the Asia-Pacific Department of the European External Action Service (EEAS), **Rafael Moreno Alunan III**, Chair of the National Security Committee of the Management Association of the Philippines and former secretary of the Department of Tourism (DoT) and of the Department of the Interior and Local Government (DILG) and **Adrianus Meliala**, Commissioner of the Indonesian National Police and Professor of Criminology at the University of Jakarta.

The debate was moderated by Shada Islam, Director of Policy at Friends of Europe and opened by Dr Paul Schäfer, HSF Resident Representative in the Philippines, who noted the European Union's

experience as regards inclusive economic integration especially as regards regional peace, stability and security and underlined the importance of learning from each other. However, how useful is it to compare the EU's experiences regarding the European single market and ASEAN's plans for free borders as of 2016.

Steven Everts said that for a long time ASEAN was the "missing link" in EU-Asia relations as ASEAN's importance was for a long time overshadowed by seemingly more important foreign policy issues. However, over the last 3-4 years, the EU has started to recognise the strategic significance of ASEAN and had upped its engagement with the region as was clear from the growing number of high-level EU-ASEAN meetings and increased European investments in ASEAN states. Although ASEAN has multiple external partners, such as the United States and Japan, Everts characterised the EU-ASEAN relationship as special, saying that the EU is the only partner which shares the experiences and struggles of a comprehensive integration process. This places the EU in a better position to consult and assist ASEAN on practical matters such as border management and the harmonisation and simplification of customs procedures, capacity building and the completion of a visa-free zone. According to Everts, "We want a strong, cohesive and self-confident ASEAN", while ASEAN is open for a stronger involvement and support by the EU.

Despite this optimistic view on EU-ASEAN relations, Everts contrasted the economic success story of the region, i.e. the growth, investment in R&D and energy with unresolved security and political questions, such as 'serious internal divisions' based in historical and ethnic tensions and fragmentations, nationalism, geopolitical competition and territorial disputes. Everts added that structural differences, including disparate economic development stages and diverging priorities and interests of the individual ASEAN members as factors which hamper further ASEAN integration.

He stressed that the EU's engagement with ASEAN did not pursue an 'overt geopolitical agenda', but focused

on helping ASEAN to develop capabilities that allowed for the joint management of resources and provisions for crisis and disaster response. Where the EU can have the most direct interaction, however, is connectivity, especially helping to establish continent-wide connectivity in the field of security. Everts concluded by saying that the EU-ASEAN relationship had achieved much in the past few years, but more needed to be done if both sides were to embark on a Strategic Partnership. EU support for ASEAN is due to more than double under the next Multiannual Financial Framework from €70 million to €170 million. Moreover, the new set-up of EEAS and the European Commission offers the possibility for “more creative ways to make policy”.

Moderator Shada Islam followed up this argument concurring that the appointment of an EU Special Envoy to ASEAN is particularly indicative of the progress, but warned that the EEAS needs to be vigilant and ensure no retreat or step-back from recent achievements.

The ‘ASEAN promise lies in its potential as a major economic bloc’ began **Rafael M. Alunan III**, though much still needs to be done to realise this potential, including streamlining business procedures, strengthening national coordinating agencies, and ensuring the free flow of goods, capital and services through private sector engagement. Despite improved maritime security capabilities and cross-border police cooperation against smuggling, drugs and illegal immigration, Alunan III’s criticised ASEAN’s security achievements critical. He said that ‘ASEAN has shown few solid accomplishments’ owing to a ‘lack of urgency’ and a lack of common identity. This leaves ASEAN with an underdeveloped regional security architecture incapable of conflict resolution, internally or externally, and which is fundamentally troubled by unresolved disagreements between member states. Encouragingly however, a Southeast Asian Nuclear-Weapon-Free Zone (SEANWFZ), the ASEAN Regional Forum (ARF) and ASEAN Defence Ministers Meeting (ADMM) have been established over the years. He added that the weakness of ASEAN as a security organisation is reflected in the lack of an effective

opposition to China’s claims in the South China Sea, continuing human rights violations in Myanmar and internal conflicts such as the South Thailand insurgency. Countries such as the Philippines, Vietnam and Indonesia have constantly pursued defence ties with the United States instead of their supposed partners in ASEAN, which is exactly what the organisation had hoped to avoid in developing an independent foreign policy. Alunan III expressed his belief that the key obstacle in the deepening of the ASEAN community is the lack of a common identity, as the integration process is being spurred by the political elite without involving the citizens. It will require substantial efforts with local communities to overcome persisting internal struggles and present ASEAN as a united political entity.

Away from geopolitics, **Adrianus Meliala** highlighted 9 key security issues currently impeding the integration of ASEAN’s three pillars which must be eradicated before a border and VISA free economic community can be brought into effect: drugs, radicalisation and terrorism, organised crime, international migration, internet hacking, child pornography, corruption and money laundering, land and resource scarcity, and legal system incongruence. These challenges exist in each of the ASEAN nations to varying degrees, and the 10 member states prioritise them differently, resulting in inconsistent policing across ASEAN. In addition, social factors such as religion can problematically influence the way police work is conducted, leading to religious prejudice in counterterrorism for example, and this needs to stop. ASEANPOL is stepping up to tackle border issues such as human trafficking, albeit half-heartedly, but EU training is proving valuable to progress. Nonetheless, Meliala stressed that ASEAN must guarantee that these security weaknesses do not threaten stability or economic progress, and also expressed concern about a possible influx of skilled labour into Indonesia after the opening of ASEAN’s internal borders. Meliala underlined that the crucial factor for ASEAN security development is persistence. In order to police these transnational security issues effectively, legal systems and law enforcement agencies must have their processes streamlined and standardised across the region. Alunan III added that mind-set changes are required, particularly when it

comes to differing behaviours towards corruption. Civil society and the private sector need to have a greater involvement in local discourse, ensuring proper conduct and respect of human rights.

During the open discussion, participants discussed ASEAN's future direction in integration of law enforcement and human rights protection, cooperation with civil society and the practicalities of the ASEAN single visa. "You've got to bring the people along" through better communication work warned Everts. This is a problem shared by the EU and ASEAN, as illustrated by this year's European elections – and offered another opportunity for constructive cooperation. Alunan III observed that the 2015 deadline for integration has not been properly communicated

down the line, with the message of a common ASEAN identity and community becoming diluted through society. Consequently there is no feeling of community among the population as a whole although at the top level, work on the issue was sincere and the efforts towards customs cooperation, transport development and democratisation were positive. A single ASEAN VISA for visitors to the region is also being worked upon, although it is yet to be completed.

Overall while all ASEAN states many not be ready to meet the 2015 deadline, the steps taken and the seriousness with which they are being pursued is encouraging. It is evident that the region's lasting economic success is dependent upon its ability to resolve all related security issues collaboratively.



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