The Association of Southeast Asian Nations (ASEAN)

The EU's partner in Asia?

SUMMARY

Founded in 1967, the Association of Southeast Asian Nations (ASEAN) is often compared with the EU. Both organisations brought together former adversaries and successfully resolved tensions through cooperation, helping to bring peace and prosperity to their regions.

However, the EU and ASEAN operate in very different ways. ASEAN is a strictly intergovernmental organisation in which decisions are based on consensus. While this approach has made it difficult for south-east Asian countries to achieve the same level of integration as the EU, it has also enabled ASEAN to accommodate huge disparities among its 10 member states.

In 2003, south-east Asian leaders decided to take cooperation to another level by setting up an ASEAN Community. To this end, they adopted a charter in 2007, though without fundamentally changing the nature of the organisation’s decision-making or giving it stronger institutions. The community has three pillars: political-security, economic, and socio-cultural.

ASEAN's impact has been uneven. Barring the contentious South China Sea issue, ASEAN has become an effective platform for cooperation between its member states and the wider Asia-Pacific region, and promoted economic integration, even if the goal of an EU-style single market is a long way off. On the other hand, ASEAN is still perceived as an elite project that has little impact on the daily lives of south-east Asians.

EU-ASEAN relations span four decades and have steadily deepened, building on common values as well as booming trade and investment. Both sides have expressed their ambition to upgrade to a strategic partnership.

The ASEAN flag features 10 rice stalks, one for each member state.
Background

ASEAN member states (population and GDP data source: World Bank)

<table>
<thead>
<tr>
<th>Country</th>
<th>Year of joining ASEAN</th>
<th>Population (millions)</th>
<th>Per capita GDP (US$)</th>
</tr>
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<tbody>
<tr>
<td>Brunei</td>
<td>1984</td>
<td>0.5</td>
<td>31 000</td>
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<tr>
<td>Cambodia</td>
<td>1999</td>
<td>16.5</td>
<td>1 600</td>
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<tr>
<td>Indonesia</td>
<td>1967</td>
<td>270.6</td>
<td>4 100</td>
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<tr>
<td>Laos</td>
<td>1997</td>
<td>7.2</td>
<td>2 500</td>
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<tr>
<td>Malaysia</td>
<td>1997</td>
<td>31.9</td>
<td>11 400</td>
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<tr>
<td>Myanmar</td>
<td>1997</td>
<td>54.0</td>
<td>1 400</td>
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<tr>
<td>Philippines</td>
<td>1967</td>
<td>108.1</td>
<td>3 500</td>
</tr>
<tr>
<td>Singapore</td>
<td>1967</td>
<td>5.7</td>
<td>65 200</td>
</tr>
<tr>
<td>Thailand</td>
<td>1967</td>
<td>69.6</td>
<td>7 800</td>
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<tr>
<td>Vietnam</td>
<td>1995</td>
<td>96.4</td>
<td>2 700</td>
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</table>

In the 1960s, at the height of the Cold War, south-east Asia was an unstable region. Most countries had only recently achieved independence from colonial rule and were still struggling to find their place in the world. A bloody war was ongoing in Vietnam, and there was a real fear of communist insurgencies spreading to other countries in the region (in 1965, Indonesia massacred up to one million suspected communists). A territorial dispute in Borneo between Indonesia and Malaysia led to the Konfrontasi, an undeclared war that dragged on from 1963 to 1966.

In this tense context, in 1967 five south-east Asian countries (Thailand, the Philippines, Indonesia, Malaysia and Singapore) decided to put aside their differences. In the Bangkok Declaration, they established ASEAN and pledged to build peace and prosperity together.

ASEAN institutions

Just two pages long, the Bangkok Declaration sets vague and general goals of cooperation in fields such as trade, education, agriculture and industry. The only mechanisms envisaged to achieve cooperation are regular, mostly unspecified meetings of government ministers, officials and experts. The 2007 ASEAN Charter put cooperation on a somewhat more formal basis, with more detailed goals and mechanisms.

Although they are partially modelled on the EU, all of the institutions outlined in the charter are intergovernmental, and all decisions are taken by consensus:

Resembling the European Council, the ASEAN Summit comprises the heads of state or government. It meets at least twice a year, and is the organisation’s supreme policy-making body.

More detailed oversight of ASEAN activities is exercised by the ASEAN Coordinating Council, which comprises ASEAN foreign ministers and also meets at least twice a year. There are also various sectoral ministerial-level bodies such as the ASEAN Defence Ministers Meeting, the ASEAN Economic
The Association of Southeast Asian Nations (ASEAN)

Ministers Meeting and the ASEAN Transport Ministers Meeting. Furthermore, ASEAN has three ministerial/senior official-level Community Councils, coordinating activities in each of the pillars of the ASEAN Community (see below): political-security, economic and socio-cultural.

**Rotating presidency:** Each member state chairs the above decision-making bodies in turn for one year, in alphabetical order (in 2020, Vietnam, to be followed by Brunei in 2021). As with the EU Council presidency, acting as ASEAN chair gives member states an opportunity to set the agenda. For example, an unusually strong statement on the South China Sea after the June 2020 ASEAN summit probably reflects Vietnamese concerns about maritime disputes with China.

The ASEAN Inter-Parliamentary Assembly – is a platform where south-east Asian parliamentarians meet and exchange information. However, its status cannot be compared with that of the European Parliament: it is not directly elected, has no legislative powers or other decision-making powers, and is ranked by the charter merely as an ‘entity associated with ASEAN’, rather than a fully fledged institution.

Administrative support for over 1 000 meetings a year is provided by the ASEAN Secretariat, based in Jakarta and headed by a secretary-general (currently, Lim Jock Hoi from Brunei). In 2016, the secretariat had a budget of just US$20 million and 300 staff. Given its small size and limited capacity, some of the organisational work is done by member state governments, each of which has set up its own national secretariat for dealing with ASEAN matters. ASEAN’s working language is English.

**Towards an ASEAN community?**

**Obstacles to ASEAN integration**

At their October 2003 summit, ASEAN leaders decided to take their previously loose cooperation to another level, and to create an ASEAN Community by 2020 (in 2007, the deadline was brought forward to 2015). In line with this goal, ASEAN adopted a charter in 2007, together with its motto of ‘One Vision, One Identity, One Community’. In 2009, the organisation followed up with a roadmap comprising blueprints for specific measures in each of the community’s three pillars. With progress towards building the community still ongoing, the roadmap was updated in 2015 and now covers the period up to 2025.

In practice, however, there is much less integration among ASEAN countries than within the EU. There are several obstacles to a closely-knit ASEAN community. Above all, south-east Asia is a much more disparate region than Europe. Singapore’s per capita GDP is 50 times higher than that of Myanmar and Cambodia, whereas the equivalent gap between the EU’s wealthiest and poorest countries is much smaller (about 10 times). Political systems range from absolute monarchy (Brunei) to multiparty democracy (Indonesia). The Philippines has a mutual defence treaty with the US, whereas Cambodia and Laos are more closely aligned with China. Such differences make it difficult for ASEAN countries to find common ground on many issues.

Although the 2007 ASEAN Charter sets ambitious goals, it does not provide the means of achieving them. The organisation has neither legal powers nor a significant budget. In contrast to the European Commission, the ASEAN Secretariat is not a supranational institution that represents the interests of the community vis-à-vis the member states; it merely provides administrative support.

**ASEAN enlargement**

According to the ASEAN Charter, membership is open to all south-east Asian states that agree to abide by the charter and are accepted by all other member states. The most recent country to join was Cambodia, in 1999. The one remaining south-east Asian non-member is Timor Leste, which applied to join in 2011. Geographically, historically and culturally, the country is part of the region, and it already participates in many ASEAN activities. However, several ASEAN countries have expressed doubts about impoverished Timor Leste’s capacity to assimilate with the bloc and for the time being, its application process remains in limbo.
for intergovernmental cooperation. Unlike the EU, ASEAN does not adopt laws that are binding on its member states; the latter implement and enforce joint decisions – or not – as they see fit.

In view of these constraints, ASEAN has made uneven progress. The following sections summarise the organisation’s impact under each of the three main headings defined in the ASEAN roadmaps.

Political–security pillar

Preserving peace and stability

ASEAN resembles the EU in that from the very start, one of its main achievements has been to promote peaceful cooperation, thus bringing stability to a formerly turbulent region. The significance of this should not be under-estimated: just two years before signing the Bangkok Declaration, Indonesia and Malaysia were still waging an undeclared war in Borneo. Though not all territorial and maritime disputes between south-east Asian states have been resolved, ASEAN has helped to defuse tensions. For example, under Indonesian leadership, ASEAN played a key role in mediating between Thailand and Cambodia after a 2008 border skirmish. Malaysia has overlapping claims with Singapore and the Philippines, but these have not caused more than occasional spats.

ASEAN countries’ commitment to peace is expressed in the 1976 Treaty of Amity and Cooperation in Southeast Asia, in which they renounce the use of force in their dealings with one another. Since 1987, the treaty has also been open to non-member states, and its signatories include China, the US and the EU. In 1995, ASEAN countries declared the region a nuclear-weapon-free zone.

ASEAN is not a military alliance, and most south-east Asian security cooperation is sub-regional (an example being the joint Malaysian-Singaporean-Thai patrols to combat piracy in the Malacca Straits) or with external partners such as the US, rather than on a regional basis. However, annual ASEAN Defence Ministers Meetings (ADMM) promote regional dialogue. South-east Asian defence ministers also engage with counterparts from eight ‘dialogue partners’ (Australia, China, India, Japan, New Zealand, South Korea, Russia and the US) in the enlarged ADMM+ format. The latter is a useful channel of communication between participating countries, and has achieved practical results, for example, by facilitating the exchange of information on terrorism.

ASEAN as an international player beyond south-east Asia

ADMM+ is one of several formats set up by ASEAN to engage with partner countries from across the world. Other formats include ASEAN Plus Three (with China, Japan and South Korea, since 1997) and the annual 18-member East Asia Summit (since 2005). The importance of the latter as a forum for strategic dialogue on the Indo-Pacific region is reflected in the eagerness of partners from outside the immediate south-east Asian neighbourhood – Russia, the US and the EU – to join. The ASEAN Regional Forum, which mostly meets at foreign minister level, is even larger (27 countries), although with so many members it risks becoming a mere talking shop.

Thanks to such formats, ASEAN plays a central role in many aspects of the south-east Asian countries’ relations with the rest of the world – a notion referred to as ASEAN centrality. Given ASEAN’s non-aligned status, these platforms are also a useful channel for communication between non-ASEAN states, which would be less comfortable with dialogue led by more powerful, but also more contentious players, such as the US or China. For example, the Quadrilateral Security Dialogue (‘Quad’) between the United States, Japan, India and Australia was launched at a meeting held on the margins of the ASEAN Regional Forum in 2007; after several years of inactivity, it was revived at a second meeting ahead of the 2017 East Asia Summit in Manila.
ASEAN and the divisive South China Sea issue

However, ASEAN has not been equally successful in forging a common position on all issues. Beijing’s expansive claims in the strategically important South China Sea, overlapping with those of five south-east Asian countries (the Philippines, Vietnam, Malaysia, Brunei, Indonesia) are particularly divisive. China has built military infrastructure on disputed islands, harassed south-east Asian trawlers, and disrupted offshore oil and gas prospecting.

As each ASEAN country struggles to hold onto sovereignty without upsetting their powerful neighbour, they have adopted widely divergent positions. While Vietnam and the Philippines (at least, until 2016) are more assertive, Malaysia, Brunei and Indonesia downplay their differences with Beijing, and Cambodia and Laos block any direct criticism of China at ASEAN level. In 2012, disagreements on this issue blocked the ASEAN summit from issuing a joint statement. By contrast, the declaration adopted at the June 2020 summit expressed concerns about tensions in the South China Sea, but still did not name China.

In an effort to defuse tensions, in 2002, China and the ASEAN countries declared their intention to negotiate a code of conduct for the South China Sea. In 2018, they announced a ‘Single Draft’ negotiating text. However, final agreement is still a long way off, as crucial questions such as the geographical scope of the code of conduct, its binding or non-binding nature, and the applicability of international law (e.g. the UN Convention on the Law of the Sea) have yet to be settled.

Economic pillar of the ASEAN Community

South-east Asia has huge economic potential. The ASEAN countries have a combined GDP of US$3 trillion, making them the world’s 5th biggest economy in 2019 if considered as a single entity, growing at an annual average rate of close to 5%. To fully unlock this potential, ASEAN’s 2009 roadmap set the goal of creating an ASEAN economic community (AEC). Like the EU’s single market, this is to be based on free – or at least freer – movement of goods, services, capital and persons. Although the 2015 deadline has long passed, the AEC remains a work in progress.

Some of the biggest progress has been on tariffs. Already in 1992, the ASEAN free trade area eliminated or reduced most tariffs between ASEAN countries. Many of the remaining tariffs were phased out under the AEC, and by 2017, 70% of intra-ASEAN trade was duty free. ASEAN has also liberalised trade with the wider Asia-Pacific region, having concluded free trade agreements with China, India, Japan, South Korea, Australia and New Zealand. It has almost completed negotiations to create a regional comprehensive economic partnership, set to become the world’s largest free trade area that will include five of these countries (India decided not to participate for now).

By contrast, although ASEAN countries are aligning technical standards and customs procedures, the number of non-tariff trade barriers remains stubbornly high, and may even be rising.

Free movement of people is not a realistic prospect for south-east Asia, given the huge income disparities in the region. Even with strict migration controls, richer countries such as Singapore and Malaysia already have huge numbers of migrants from their poorer neighbours. Only limited steps have been taken to facilitate skilled labour migration, for example, through mutual recognition of professional qualifications. Even with these arrangements, it is still very difficult for south-east Asian doctors (for example) to get their qualifications recognised in other ASEAN countries.

South-east Asian countries also lack transport and other connecting infrastructure, a gap that China is eagerly filling by investing heavily in this sector through its Belt and Road Initiative. Furthermore, ASEAN’s own Infrastructure Fund has approved US$500 million in loans since 2011, but this is not nearly enough to finance the estimated US$100 billion a year the region needs to achieve seamless connectivity.

ASEAN countries trade much less with one another than with the rest of the world. In 2018, intra-ASEAN trade represented just 23% of the region’s total international trade – a slightly larger share
than in 1993 (19%), but still very low compared to the EU, where around two-thirds of trade is within the bloc. To some extent, this reflects the types of goods exported by ASEAN countries. For example, Cambodia, Myanmar and Vietnam are all major textiles exporters; their main export markets are in Europe and North America rather than other south-east Asian countries. However, this low level of trade also highlights the lack of real economic integration. A 2019 survey of European companies operating in the region points to a similar conclusion: just 4% felt that ASEAN had achieved its goal of a single market and production base, while only 3% were satisfied with the pace of integration.

Socio-cultural pillar of the ASEAN Community

Adding a human dimension to ASEAN?

The third pillar of the ASEAN Community covers policy areas such as environmental protection, education, culture and human rights, to complement the emphasis on security and the economy in the first two pillars. However, ASEAN’s achievements in these areas are unimpressive, with a lack of specific targets, binding measures and funding. One of ASEAN’s few environmental instruments is the 2002 Agreement on Transboundary Haze Pollution, aimed at curbing the recurrent problem of smoke from Indonesian forest fires, which cause economic disruption and premature deaths in Indonesia and neighbouring countries. The agreement has not led to more than a few isolated actions, nor has it brought measurable improvements; 2015 was one of the worst years ever. On climate change too, the region’s response is almost entirely driven by national efforts.

Set up in 1997, the ASEAN Foundation promotes people-to-people contacts in the fields of education, culture and media. However, it cannot be compared with EU programmes such as Erasmus+, whereas over 850,000 participated in EU educational exchanges in 2018 alone, ASEAN Foundation projects between 2014 and 2019 reached just 18,000 young people.

Human rights are an area of particular weakness for ASEAN – unsurprisingly, given that Laos, Vietnam, Cambodia, Brunei and Myanmar are among the world’s more repressive countries, according to Freedom House’s 2019 ranking. In line with ASEAN’s principle of non-interference in internal affairs, south-east Asian countries avoid public criticisms even of gross human rights abuses (one of the very rare exceptions to this rule occurred in 2017, when then Malaysian Prime Minister, Najib Razak, denounced Myanmar’s treatment of the Rohingya minority).

ASEAN’s 2012 Human Rights Declaration relativises human rights by setting them against the individual’s ‘performance of corresponding duties’ and making them conditional on ‘the national context’. The declaration was drafted by ASEAN’s Intergovernmental Commission on Human Rights, a weak institution that has no mandate to investigate individual human rights cases. Comprising 10 members nominated by member state governments and acting by consensus, the commission even failed to speak out on the alleged genocide of Myanmar’s Rohingya. The resolutions of ASEAN’s Interparliamentary Assembly also avoid contentious human rights issues.

Southeast Asian public perceptions of ASEAN

ASEAN has a flag, an anthem, and it observes 8 August as ASEAN Day. Such symbols have helped to create a common identity; in a 2018 survey, over 90% of south-east Asian respondents perceived themselves at least partially as ASEAN citizens. Overwhelmingly, they are aware of ASEAN, and are positive about its achievements and prospects. However, despite such positive feelings, public
understanding of the organisation rarely goes beyond general awareness of its existence. The same survey shows that barely one-fifth have heard of the ASEAN Community and its three pillars. These results can be explained by the fact that only a few of ASEAN's achievements (one of them being visa-free travel for visits of up to two weeks between south-east Asian countries) have made a tangible and immediately understandable difference to ordinary people's daily lives.

EU-ASEAN relations

Fundamental differences and similarities

ASEAN and the EU are very different organisations. ASEAN's insistence on intergovernmental, consensus-based decision-making and non-interference contrasts with the EU countries' transfer of sovereignty to supranational institutions. South-east Asian countries cooperate through ASEAN but have not achieved deep integration. Whereas human rights and democracy are part of the EU's DNA, they are an area of weakness for ASEAN.

In spite of these differences, there are also many obvious parallels. In an increasingly geopolitical world, both the EU and ASEAN are committed to peace, stability and the multilateral rules-based order. Both have successfully resolved regional tensions through cooperation in a wide range of fields. On the international stage, ASEAN and EU countries have a stronger voice collectively than they would on their own.

Building on these similarities, the EU-ASEAN relations have deepened over time. Informal contacts began in 1972, leading to the launch of formal relations in 1977 and a cooperation agreement in 1980. Since 2015, the EU has had a dedicated mission and ambassador to ASEAN, based in Jakarta.

Areas of cooperation

Relations are largely dominated by economic aspects. Taken as a whole, ASEAN is the EU's third-largest non-European trade partner after the US and China, while the EU is ASEAN's second largest trade partner after China. The volume of trade has almost tripled over the past two decades, reaching close to US$300 billion in 2019. Fast-growing ASEAN markets, located at the heart of the dynamic Asia-Pacific region, are highly attractive for European investors. The EU is already south-east Asia's largest foreign investor, and this trend is likely to continue, with businesses relocating from China due to a trade war between Washington and Beijing.

In 2007, the EU and ASEAN launched talks on a free trade agreement but failed to make much headway. The EU has therefore opted for a bilateral approach, though a region-to-region deal is still the long-term goal. So far, the EU has trade and investment agreements with two countries (Singapore and Vietnam), and is negotiating with Indonesia (talks with Thailand, Malaysia and the Philippines are currently on hold).

The EU's 2018 Connecting Europe and Asia strategy sees connectivity as an area of cooperation with ASEAN. As a practical result of such cooperation, the EU hopes to conclude a comprehensive air transport agreement with ASEAN, its first ever region-to-region aviation agreement. This will give EU airlines access to south-east Asian markets and vice-versa, as well as aligning safety and other standards. Reportedly, negotiations are close to completion.

The two sides cooperate on many other issues of common interest. In 2019, EU officials met members of ASEAN human rights bodies for their third human rights policy dialogue. In March 2020, there was an EU-ASEAN ministerial-level video-conference on the coronavirus pandemic.

In addition to bilateral development aid for south-east Asian countries (€3 billion in the 2014-2020 period and an additional €800 million of special 'Team Europe' funding to help them deal with the consequences of the coronavirus pandemic), the EU also provides regional aid for ASEAN integration (nearly €200 million for 2014-2020, up from €70 million for 2007-2013). The latter includes the ARISE Plus programme, which supports south-east Asian economic integration and
connectivity. Drawing on the success of Erasmus+, the €10 million SHARE programme promotes increased cooperation and student mobility between the region’s universities. The EU has projects in support of sustainable forestry and urbanisation, and an EU-ASEAN dialogue instrument (E-READI) to finance interregional dialogue. In addition, the EU supports the ASEAN Secretariat through training and technical assistance for ASEAN officials working on issues such as economic integration.

Towards a strategic partnership?

The European Commission’s 2015 communication on 'The EU and ASEAN: A partnership with a strategic purpose' expresses the ambition of moving from an enhanced partnership with ASEAN to a strategic one. Exactly what this would mean is not defined – arguably, the two organisations are already strategic partners in all but name – but one of the objectives set out in the communication is to build a more rounded relationship that includes security as well as economic cooperation. At the 22nd EU-ASEAN ministerial meeting in January 2019, EU and ASEAN foreign ministers agreed in principle to work towards the goal of a strategic partnership.

For the EU, ASEAN is a force for stability in the Asia-Pacific region and a potentially important security partner. The EU has been a party to ASEAN’s Treaty of Amity and Cooperation since 2012, and participates in the ASEAN Regional Forum. However, it has not yet been invited to join the ASEAN-led East Asia Summit, widely seen as a more important platform for security dialogue. Of ASEAN’s 10 official dialogue partners, it is the only one to be excluded from the East Asia Summit – a symbolically important barrier to the two sides declaring themselves strategic partners.

Several factors explain this reserve on the part of ASEAN. In contrast to ASEAN non-interference, the EU is openly critical of serious human rights abuses in several ASEAN member states. Moreover, palm oil is a major bone of contention for the EU, especially with Indonesia and Malaysia; indeed, in 2019 Malaysia identified it as the reason why the EU and ASEAN did not yet have a strategic partnership.

The European Parliament (EP) and ASEAN: The Parliament’s October 2017 resolution on EU political relations with ASEAN supports efforts to achieve south-east Asian regional integration and recommends that relations be upgraded to a strategic partnership. The Parliament has observer status at the annual meetings of the ASEAN Inter-Parliamentary Assembly, where it is represented by its Delegation for relations with the countries of south-east Asia and ASEAN (DASE). It also plans to open a liaison office in Jakarta to manage EP-ASEAN relations. In September 2020, DASE chair, Daniel Caspary (EPP, Germany), proposed to upgrade parliamentary relations with ASEAN parliaments, by holding annual interregional meetings on specific policy issues of joint concern.

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