The Association of Southeast Asian Nations (ASEAN)

The EU's strategic 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. The organisation is an effective platform for cooperation between its member states and the wider Indo-Pacific region, but its goal of promoting peaceful cooperation is undermined by growing geopolitical tensions, especially in the South China Sea. There has been significant economic integration, even if the goal of an EU-style single market is a long way off. On the other hand, south-east Asians still perceive ASEAN as an elite project with little impact on their daily lives.

EU-ASEAN relations span four decades and have steadily deepened, building on common values as well as booming trade and investment. In 2020, the two sides upgraded to a strategic partnership.

This Briefing updates a previous one, published in November 2020.

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

Table 1 – ASEAN member states

<table>
<thead>
<tr>
<th>Country</th>
<th>Year of joining ASEAN</th>
<th>Population (millions)</th>
<th>Per capita GDP (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1984</td>
<td>0.5</td>
<td>27 500</td>
</tr>
<tr>
<td></td>
<td>1999</td>
<td>16.5</td>
<td>1 500</td>
</tr>
<tr>
<td></td>
<td>1967</td>
<td>270.6</td>
<td>3 900</td>
</tr>
<tr>
<td></td>
<td>1997</td>
<td>7.2</td>
<td>2 600</td>
</tr>
<tr>
<td></td>
<td>1997</td>
<td>31.9</td>
<td>10 400</td>
</tr>
<tr>
<td></td>
<td>1997</td>
<td>54.0</td>
<td>1 400</td>
</tr>
<tr>
<td></td>
<td>1967</td>
<td>108.1</td>
<td>3 300</td>
</tr>
<tr>
<td></td>
<td>1967</td>
<td>5.7</td>
<td>59 800</td>
</tr>
<tr>
<td></td>
<td>1967</td>
<td>69.6</td>
<td>7 200</td>
</tr>
<tr>
<td></td>
<td>1995</td>
<td>96.4</td>
<td>2 800</td>
</tr>
</tbody>
</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, Indonesian armed forces 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
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 2021, Brunei, to be followed by Cambodia in 2022). 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, it cannot be compared with 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. 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 among the EU Member States. 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
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 in south-east Asia**

ASEAN resembles the EU in that 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, and the 1995 Bangkok Treaty, which declares 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.

**Leading peaceful cooperation in the wider Indo-Pacific region**

ASEAN’s 11 ‘dialogue partners’ are Australia, Canada, China, the EU, India, Japan, New Zealand, Russia, South Korea, the US, and (since August 2021) the United Kingdom. Together with numerous other countries from around the world, all are committed to peace as signatories of ASEAN’s Treaty of Amity and Cooperation. ASEAN engages with dialogue partners through various regional formats. These 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, including the US and Russia, to participate. The ASEAN Regional Forum, which mostly meets at foreign minister level, is even larger (27 countries), although with so many members it is argued that it risks becoming a mere talking shop. ADMM+ brings together ASEAN defence ministers with counterparts from eight dialogue partners (not the EU, UK or Canada); apart from ministerial meetings, its activities include expert working groups and field exercises in areas such as maritime security, disaster management and counter-terrorism.

Such ASEAN-led formats aim to mitigate tensions by bringing together the main regional players, including China and the US. They also consolidate ASEAN centrality, the idea that ASEAN should play a leading role in the Indo-Pacific region.

**ASEAN vision of the Indo-Pacific challenged by geopolitical tensions**

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 the main challenge to peaceful cooperation. China has built military infrastructure on disputed islands, harassed south-east Asian trawlers, and disrupted offshore oil and gas prospecting.
The Association of Southeast Asian Nations (ASEAN)

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.

With no prospect of reconciling maritime claims, in 2002 China and the ASEAN countries agreed on the more modest objective of managing their differences through a code of conduct for the South China Sea. However, final agreement on this is still a long way off, with no consensus as yet on crucial questions about 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).

US-China rivalry intensified with the 2017 re-launch of the Quadrilateral Security Dialogue ('Quad') between the United States, Japan, India and Australia, and Washington's outright rejection of Beijing's 'preposterous' maritime claims in its November 2019 Indo-Pacific strategy. In September 2021, the US, UK and Australia announced a trilateral defence cooperation pact ('AUKUS'), which among other things will allow Australia to acquire a fleet of nuclear-powered submarines.

Although the US is supportive of south-east Asian countries' claims in the South China Sea, and its Indo-Pacific strategy emphasises ASEAN's centrality in the region, some ASEAN countries are uncomfortable with the prospect of being forced to choose between China and the US. Indonesia and Malaysia have both warned that AUKUS could trigger an arms race in the region. Great power competition and new military alliances contradict ASEAN's inclusive vision and threaten to marginalise the bloc as a centre of regional cooperation.

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 fifth 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, and under the AEC all but a handful of the remainder were phased out by 2018. ASEAN has also liberalised trade with the wider region, having concluded free trade agreements with China, India, Japan, South Korea, Australia and New Zealand. Moreover, once ratified by a sufficient number of countries, the Regional Comprehensive Economic Partnership, signed in November 2020, will become the world's largest free trade area, including ASEAN and five of its FTA partners (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. An Infrastructure Fund set up by ASEAN and the Asian Development Bank approved nearly US$500 million in loans between 2011 and 2019. Under its Belt and Road Initiative, since 2013 China has invested US$200 billion in east Asia, mostly in ASEAN countries; however, even this is not nearly
enough to bridge the gap between actual infrastructure spending (US$55 billion in 2018) and the US$210 billion a year of investment needs, according to the Asian Development Bank.

ASEAN countries trade much less with one another than with the rest of the world. In 2020, intra-ASEAN trade represented just 21% of the region’s total international trade – little changed since 1993 (19%) and 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 2020 survey of European companies operating in the region points to a similar conclusion: while 30% of respondents felt they had benefited from the ASEAN Economic Community, just 9% felt that ASEAN had achieved its goal of a single market and production base, while only 2% were satisfied with the pace of integration. The survey identified harmonisation of standards, intra-ASEAN customs procedures and market access restrictions as the three main areas where more progress is needed.

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 led to no more than a few isolated actions and not many 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 operates on a much smaller scale than EU programmes such as Erasmus++; between 2014 and 2020, ASEAN Foundation projects reached just 74,500 young people, compared to 940,000 Erasmus+ participants in 2019 alone.

Although respect for human rights and democracy is enshrined in the ASEAN Charter, this is an area of particular weakness for ASEAN; no ASEAN countries are classified as ‘free’ by Freedom House’s 2021 ranking, and only Indonesia, Malaysia, the Philippines and Singapore are ‘partly free’. The organisation lacks mechanisms to enforce human rights. Its Intergovernmental Commission on Human Rights is 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. In line with ASEAN’s principle of non-interference in internal affairs, south-east Asian governments mostly avoid public criticisms even of gross human rights abuses in each other’s countries.
The main exception to this rule is Myanmar, whose February 2021 military coup forced ASEAN leaders to act; in April they agreed on a five-point consensus including a halt to violence, and ASEAN-mediated dialogue. None of these points has been implemented, and the junta has not allowed ASEAN envoy Erywan Yusof to meet any of its opponents. Despite failing to resolve the crisis, ASEAN did at least manage to adopt an unexpectedly strong stance by excluding junta leader Min Aung Hlaing from its October 2021 summit.

**South-east 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, EU-ASEAN relations have deepened over time, building on the two regional blocs' shared commitment to rules-based multilateralism. Informal contacts began in 1972, leading to the launch of formal relations in 1977 when the EU became an ASEAN dialogue partner, and a cooperation agreement in 1980. Since 2015, the EU has had a dedicated mission and an ambassador to ASEAN, based in Jakarta. The EU's September 2021 Indo-Pacific strategy acknowledges ASEAN's centrality and sees it as a key partner in an increasingly contested region.

**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 and its largest source of foreign investment. The volume of trade has almost tripled over the past two decades, reaching close to US$230 billion in 2020. In 2007, the EU and ASEAN launched talks on a free trade agreement but failed to progress. 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).

In addition to bilateral development aid for south-east Asian countries (€3 billion in the 2014-2020 period), 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. The EU also supports the ASEAN Secretariat through training and technical assistance for ASEAN officials working on issues such as economic integration.
The EU is now seeking to broaden its engagement with ASEAN beyond trade and aid. Its 2018 Connecting Europe and Asia strategy identifies connectivity as an area of cooperation. In June 2021, the two sides concluded a comprehensive air transport agreement, the world’s first-ever region-to-region aviation agreement. Once it has been signed and ratified, the agreement will give EU airlines access to south-east Asian markets and vice-versa, as well as aligning safety and other standards. The EU’s new Global Gateway plan could open the door to further initiatives in this field.

The EU’s 2021 Indo-Pacific strategy lists several other priorities for the region, including security and defence, and the green transition. While there has been some progress on the latter area – the two sides have held two dialogues on sustainable development since 2017 – the EU (unlike China, Japan and the US) is not yet a significant Asian security player. The EU, Canada and the UK are the only three of ASEAN’s 11 official dialogue partners excluded from the East Asia Summit and the ADMM+. To date, the EU has only participated in the two bodies on one occasion each (in 2017 and 2020) as guest of the chair. However, a joint EU-German project aims to build security cooperation with six Indo-Pacific countries, including three ASEAN member states (Indonesia, Singapore and Vietnam). The EU’s forthcoming Strategic Compass is expected to envisage information exchanges on areas such as violent extremism, nuclear threats, cybersecurity, and maritime security.

EU-ASEAN strategic partnership

For several years, the EU has aspired to upgrade its status from ASEAN dialogue partner to strategic partner. In 2019 Malaysia identified the EU’s plans to restrict imports of palm oil-based biofuels as an obstacle, but in December 2020 the two sides finally launched a strategic partnership, while agreeing to deal with the palm oil issue separately through a joint working group. Apart from its symbolic importance, the main practical effect of this upgrade is that it opens the door to full EU-ASEAN summits (to date, meetings have taken place at ministerial level); the first of these is planned for 2022, marking the 45th anniversary of formal relations. Given that all ASEAN’s other strategic partners participate in the East Asia Summit and ADMM+, the new partnership could also help the EU’s bid to join these two bodies (one of the goals of the Indo-Pacific strategy), but this cannot be taken for granted given likely opposition from other participants such as Russia and China.