

## ***ASEAN–EU Relations: From Regional Integration Assistance to Security Significance?***

Anja Jetschke and Clara Portela

The Foreign Ministers of the Association of Southeast Asian Nations (ASEAN) held their annual summit from 17 to 18 November 2012 in Phnom Penh, Cambodia.

### **Analysis**

European Union (EU) decision-makers have paid relatively little attention to the ASEAN region despite entering into a series of important agreements with ASEAN as a whole and with individual ASEAN member states: In July 2012 the EU entered into the Treaty of Amity and Cooperation in Southeast Asia (TAC), an important regulatory framework for the region. In October 2012, it finished negotiating a partnership and cooperation agreement (PCA) with Vietnam, and in December of the same year, it signed a free trade agreement (FTA) with Singapore. But despite these milestones, the EU generally has played a minor role in the region. To participate in Southeast Asia's economic dynamism, the EU must make clear its importance to the region – above and beyond trade.

- The ASEAN Charter of 2007 brought ASEAN's institutional structures more in line with the EU. One important reform included making human rights protection one of ASEAN's goals.
- Myanmar's political opening also provides the EU with new room to promote far-reaching regional initiatives that could beef up ASEAN–EU relations.
- The EU's role as a security actor in Southeast Asia remains marginal, as shown by ASEAN's rejection of its bid to join the East Asia Summit (EAS). Whether the EU's accession efforts will one day succeed depends on how regional actors rate its contribution to major security issues.

*Keywords:* EU, ASEAN, human rights, regional integration assistance, non-traditional security

## Introduction

The ASEAN foreign ministers' annual summit on 17 and 18 November 2012 in Phnom Penh, Cambodia, was overshadowed by the South China Sea territorial dispute between China and individual ASEAN members. At the summit, the problems resulting from China's economic and political rise – for ASEAN as a regional organization as well as for its individual members – were delineated. Will ASEAN continue to be able to protect its members from external interference or will China's growing influence weaken the entire organization?

Preoccupied with such problems as the euro crisis and the "Arab Spring" in the southern Mediterranean, EU decision-makers have thus far accorded little attention to Southeast Asia. Yet, should the EU wish to participate in Southeast Asia's economic dynamism, it will have to reinforce its political presence there. EU participation will increasingly depend on regional attitudes toward China's ascendance, which is perceived as a threat by most East Asian countries (aside from North Korea) and by most Southeast Asian countries (except for Cambodia, Laos, and possibly Thailand). The region needs new multilateral initiatives directed by ASEAN members. It is high time for the EU to double down on its efforts. A revitalized ASEAN–EU relationship could strengthen ASEAN, would allow for new approaches to conflict resolution, especially in the South China Sea, and benefit EU economic and political interests.

## ASEAN–EU Relations and Their Role in Promoting Regional Integration

Since 2003, the EU has used assistance for ASEAN's regional integration as a way to signal its economic and political presence there. Regional integration assistance is one of the principles guiding EU relations with other regional groups. Europe's economic – and partly political – integration is regarded as a success and as the reason for the continent's peace and prosperity; as a result, the EU sees itself as being entitled to promote regional integration projects around the world – based, if possible, on its own model. The main elements of EU policy are financial support and the transfer of technical know-how. However, these instruments are becoming less effective, partly be-

cause the euro crisis has made the EU model of integration seem less attractive, and partly because the EU's centrality is being weakened by other actors' efforts to promote regional integration.

ASEAN's integration ambitions date from the beginning of this century, when China's economic competition caused the regional organization to fear for its economic and political survival. ASEAN's request for help with regional integration allowed the EU to compensate for its almost non-existent political role, while EU technical cooperation expanded the opportunity for the EU to drop its economic anchor in the region. Two regional-integration support programs (ASEAN Regional Integration Support Programmes I & II) have been completed – at the cost of more than 130 million EUR. Each ASEAN member state annually contributes just 1 million USD to the organization's budget, which means that between 2003 and 2010 the EU's average annual contribution was ten times that of each ASEAN member.

Possibly as a result of EU support, in the last decade ASEAN has completely overhauled its institutional design and centralized its organization. Today, ASEAN is more integrated at the institutional level than ever before and more closely resembles the EU. Its name has been changed to the "ASEAN Community (AC)," which now consists of three communities (like the European Communities that predated the European Union and remain components of the EU), with its work organized around three pillars. The most significant innovation concerns the position of ASEAN's secretary-general, who now sits at the negotiating table with member-state representatives and is authorized to present the AC position. To some extent this figure has a "supranational" character that is typical of the EU. This move toward integration is especially important because the ASEAN Secretariat has developed a feeling for its role as the "guardian of the treaties" and learned about regional integration mechanisms (EU Commission 2009: v). This development is qualified, however, by the continued emphasis on cooperation between ASEAN member-state governments.

The EU's special role in this process was due less to its more active foreign policy than to regional dynamics, especially China's competition with ASEAN for direct foreign investment following the Asian financial crisis of 1997/1998 (Ravenhill 2008), which led the EU to increase its commitment to the region, and made it both more attrac-

tive and more influential. The EU began to serve as a kind of “model” for ASEAN and also as a donor for ASEAN’s integration efforts – a new role that fit with the EU’s self-image as a worldwide sponsor of regional integration efforts to promote peace and to integrate developing countries into the world market (Jetschke 2013). Three developments challenge this policy:

- 1) Regional integration assistance is losing its special benefit for ASEAN–EU relations since such support no longer comes only from the EU, but also from Australia, the Asian Development Bank and the US, all of which – like the EU – want to spread their own concepts of regional integration (see e.g. AusAid 2012). Increased competition in assistance limits the ability of EU programs to signal the EU’s illustrious cooperation with ASEAN.
- 2) The goal of regional integration is called into question by new developments that the EU cannot control. At the same time that fears about China’s future role are stimulating regional integration within ASEAN, Chinese direct investments and economic interests are exerting a centrifugal force on ASEAN member states. Cambodia’s reluctance to mention China’s militarization of the South China Sea in ASEAN’s joint communiqué – as demanded by the Philippines and Vietnam – hints at China’s increasing influence (Casarini 2012: 2), and some ASEAN members’ growing dependence on trade with China is blocking external integration efforts more than ever.
- 3) The emerging pattern of entering into free trade agreements (FTAs) and partnership and cooperation agreements (PCAs), while not problematic in itself, could undermine the EU’s vision of promoting multilateral integration in the region. Following its failed attempt to create an ASEAN–EU FTA, the EU began to sign bilateral free trade agreements, as well as partnership and cooperation agreements. These bilateral agreements in the region replicate the bilateralism of other governments, especially that of Japan and the US, and substitute for the failed ASEAN–EU free trade agreement. While trade-oriented FTAs are economic-only agreements that are meant to increase the EU’s access to the region, PCAs are intended as framework agreements and contain both political and economic provisions. These two types of treaties are related because they are conceived of as a pack-

age and are meant to co-exist (Lim 2012). They are designed to ensure that the EU’s economic and foreign policy goals are being served. Various combinations can be observed: The EU has signed PCAs with Indonesia, the Philippines and Vietnam, while an FTA is only in the process of being negotiated with Vietnam. Parallel negotiations for both treaties were initiated with Malaysia and Singapore, and an FTA was signed with Singapore on 16 December 2012. A PCA is currently being negotiated with Thailand, and both parties have held out the prospect of soon beginning to negotiate an FTA. The pattern of FTA and PCA negotiations indicates the EU’s negotiating power – or lack thereof – and the regional impediments it faces. PCAs have been signed with partners that are often still pursuing protectionist policies, which stalls the finalizing of FTAs. While FTAs have been negotiated more rapidly with the economically stronger ASEAN members such as Malaysia and Singapore, PCA negotiations with these countries have been slower. Consequently, the practice of signing first a PCA and then an FTA has been modified. Table 1 shows the status of the bilateral agreements (Matthiessen 2012).

The EU’s differential FTA strategy in Asia shows how it prioritizes key trade partners, especially those that have already signed an FTA with the US (Garcia 2012). The EU is signaling its willingness to participate in Asia’s economic dynamism – at a time when it sorely needs growth markets – as well as its intention to remain ASEAN’s third most important economic partner after China and Japan (EU Commission 2012). Yet the EU should not cast its role in Southeast Asia in economic terms alone. In the long run, the EU’s significance as a trade partner for ASEAN might be reduced if, as expected, China’s economic importance for ASEAN continues to grow.

This context requires the EU to develop a strategy for becoming a more important actor in Asia. The EU should continue to assist regional integration and encourage common positions among ASEAN member states. It must communicate how the EU’s bilateral approach can be combined with its long-term goal of supporting multilateralism in the region. EU partnership agreements could be more effectively used to harmonize positions within ASEAN, with the EU acting as an “external

**Table 1: Status of ASEAN–EU Bilateral Agreements**

Partner	Partnership and Cooperation Agreement	Free Trade Agreement
Indonesia	Signed (Oct. 2009)	In preparation (scoping exercise underway)
Philippines	Signed (July 2012)	In preparation (scoping exercise in preparation)
Vietnam	Signed (June 2012)	Negotiations (June 2012–)
Singapore	Negotiations (2011–)	Signed (2010–16 Dec. 2012)
Malaysia	Negotiations (Dec. 2010–)	Negotiations (Sept. 2010–)
Thailand	Negotiations (2010–)	In preparation (scoping exercise underway)
Brunei	Announced (April 2012)	Planned

Source: Matthiessen 2012.

federalist” for the organization. Two key countries deserve special attention: Indonesia is not only an emerging power but, as the region’s most democratic state and the world’s largest Muslim country, it also plays a key role in promoting a human rights agenda within ASEAN. Vietnam is gaining central importance because of its strategic location in continental Southeast Asia, and could offer leadership and promote unity among ASEAN’s socialist states (Cambodia and Laos). In any case, the EU should clearly indicate that assistance for countries like Vietnam is intended to help unify the ASEAN Community rather than create a strategic counterweight to China.

### ASEAN–EU Relations and Human Rights

The EU Treaty stipulates that EU foreign policy goals include the protection of human rights. The European Parliament, which has had to approve all EU trade agreements since 2009, is a dogged defender of human rights promotion as part of European foreign policy. Since the EU’s first attempts to upgrade its relations with ASEAN from purely economic to political, human rights abuses – first in Timor-Leste and then in Myanmar – have prevented ASEAN–EU relations from flourishing (Lim 2012). Myanmar’s 1997 admission into the AC sorely strained relations between the organizations, with EU condemnations of Myanmar creating a crisis in interregional relations and causing meetings to be canceled.

The ASEAN–EU relationship could be revived rapidly, however. On the initiative of Indonesia, the Philippines and Thailand, which are seeking to lock in their domestic reforms at a regional level, ASEAN has developed its own human rights agenda and is nurturing its image as a community based on the rule of law.

Highlighting human rights in EU foreign policy commitments will not negatively affect the EU’s economic interests. By encouraging human rights reforms, the EU assists ASEAN member states in carrying out domestic reforms and helps ASEAN to develop its identity as a rule-based community. The EU can build on the human rights declaration that was agreed upon at ASEAN’s 2012 summit in Phnom Penh, which followed the establishment of the ASEAN Intergovernmental Commission on Human Rights (AICHR) in 2009. Unfortunately, the declaration does not provide any mechanisms for regional implementation. In fact, its human rights instruments actually affirm the principles of sovereignty and non-intervention, which led the much-vaunted new declaration to be criticized by regional human rights organizations for the secrecy of its negotiating process. UN High Commissioner for Human Rights Navanethem Pillay called on ASEAN governments to suspend their adoption of the draft declaration because it was not in line with universal standards and the public had not been consulted (Ririhena and Sragih 2012). Furthermore, 62 human rights organizations – including Amnesty International and Human Rights Watch – criticized the draft declaration.

ration on the grounds that it “creates a sub-standard level of human rights protection in the region” (Amnesty International 2012). However, the symbolic value of the explicit protection of human rights in a part of the world that, 15 years earlier, had questioned the universality of human rights should not be underestimated. Although the declaration fails to provide for sanctions, it does contain the potential for improvement, and will help orient not just civil society organizations in the region, but also governments that henceforth will be measured against its standards.

This regional policy is reinforced by developments in Myanmar. Since entering office in 2011, President Thein Sein’s gradual introduction of reforms (including legalizing opposition parties, relaxing censorship and releasing political prisoners) has been hailed by the EU: Sanctions have been lifted, development aid increased and prominent EU politicians have made their first official visits (Bünthe and Portela 2012). Myanmar’s opening has provided the EU with the opportunity to assist its reform process, which is crucial for the ASEAN–EU relationship. With Myanmar no longer an issue for dispute, cooperation can be expanded.

### **ASEAN–EU Relations and Traditional and Non-traditional Security**

China’s emergence in the region and its rise to the status of “world power” will continue to pose a challenge for the Southeast Asian states and to affect ASEAN–EU relations. Territorial disputes in the South China Sea remain a source of tension that has been insufficiently addressed by regional organizations. The EU has limited its scope to help resolve the conflict, while the ASEAN Regional Forum (ARF) explicitly bars any discussion of the subject. Basically, ASEAN member states do not consider the EU to be a relevant actor regarding issues of regional security (Portela 2010). As Arif Havis Oegroseno, the EU ambassador from Indonesia, put it, the EU “is not and will never be a military power in the Asia-Pacific region” (Oegroseno 2012: 15). ASEAN countries also fear losing their centrality in the security forum, should it be enlarged again.

It is up to the EU to convince ASEAN of the relevance of its membership in the EAS, which should be facilitated as a result of signing the

TAC on 12 July 2012. The ASEAN member states consider the legally binding TAC – which dates from 1976 – as a collectively binding code of conduct. The norms established in the TAC originated in the Non-Aligned Movement but also resemble those in the Helsinki Final Act, signed by 38 countries at the Conference for Security and Cooperation in Europe (CSCE) in 1975, which managed to contain the East–West conflict. The TAC commits its partners to the principles of independence, equality, territorial integrity, non-interference and the renunciation of force. Altogether, 18 non-ASEAN countries have signed the treaty – among them Australia, Brazil, China, India, Japan, New Zealand, Pakistan, Russia, Turkey and the US. In order for the EU to enter the treaty as a regional organization, it was necessary for ASEAN to adopt a special protocol. This is a sign of ASEAN’s special interest in the EU. Signing the TAC means that for the first time, the EU has “engaged at a strategic level with ASEAN under a legally binding framework with a dispute settlement mechanism” (Oegroseno 2012).

In view of the mutually exclusive territorial claims, the TAC does not lend itself to conflict resolution. However, the TAC does enjoy great legitimacy in the region and its emphasis on the principles of nonviolent conflict management could make it a stabilizing element. The confidence- and security-building measures (CBMs) that were developed at the CSCE provide the EU with instruments that could be utilized to transform the TAC into an instrument for resolving conflicts. Unlike the informal ARF, which has also adopted CBMs but remains in stasis, the TAC framework provides a legally binding framework. The EU could attempt to broker a regional acknowledgment that the claims to the islands in the South China Sea are legitimate but mutually exclusive. So far, the countries involved have been unprepared to acknowledge the other parties’ territorial claims. Once this recognition has been granted, the EU could then develop proposals for jointly exploiting the resources that are believed to lie beneath the sea.

Here, the EU could stress that its support for multilateralism and a negotiated settlement strengthens ASEAN’s position vis-à-vis China, which is becoming increasingly assertive. Such an approach would also respond to Indonesian fears of ASEAN becoming the site of a showdown be-

tween China and the US that could destabilize the whole region (Conde 2012).

Finally, the EU should further emphasize and better publicize its contribution to non-traditional security. The post-Cold War expansion of the concept of security that became accepted once Asia had adopted the notion of “non-traditional” security has allowed the EU to present itself as a security actor (Maier-Knapp 2012). The EU has financially committed itself in many areas, such as food security, disaster prevention, counter-terrorism, environmental protection and climate change, and will continue its cooperation, especially in the area of civil protection, as indicated at the last ASEAN–EU ministerial meeting in Brunei in April 2012. In the region, the EU is mostly perceived as a humanitarian actor or development aid donor; it has not made a name for itself as a security actor. Were the EU to promote its current activities as being relevant to security, it could increase its chances of being admitted to the East Asia Summit.

Since the mid-1990s, EU goals and strategies regarding ASEAN have remained pretty much unchanged. But the current changes in Asia require the EU’s close monitoring to keep pace with economic developments in the region. The EU has not been recognized as a security actor there, and instead has concentrated on non-traditional security and support for regional integration.

Even if regional integration assistance were to lose its significance for ASEAN–EU relations, the EU would still have a role to play in the region. There is a dearth of promising multilateral initiatives to solve regional conflicts, and ASEAN member states’ internal developments, especially in the realm of human rights, offer the possibility of enhanced ASEAN–EU relations.

The EU is expected to pursue its dual approach of nurturing cooperation in non-traditional security and regional integration. At the same time, the EU can also promote human rights, especially in countries that are undergoing a process of transition, without having this negatively impact economic relations.

We recommend a new approach to the EU’s ASEAN policy that

- expands regional integration around targeted bilateral relations – as with Indonesia and Vietnam (in doing so, the EU should explain that the bilateral relations are intended to strengthen ASEAN as a multilateral forum);

- broadens the EU’s approach of sharing experiences above and beyond regional integration assistance and also incorporates the TAC, which could be developed into an effective instrument for resolving the conflict in the South China Sea – based on experience from the Helsinki Final Act;
- pursues its human rights initiatives as a means of supporting ASEAN member states’ domestic reforms in human rights protection (a robust strategy for Myanmar could constitute an important cornerstone of Europe’s ASEAN policy); and
- refers to EU “non-traditional security” support for ASEAN countries in the areas of disaster preparedness, counter-terrorism, health, environment and climate change with a view to upgrading the EU’s reputation in the region from that of a “development actor” to a “security actor.”

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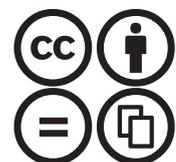
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