

# EU-ASEAN Relations: Taking Stock of a Comprehensive Inter-regional Relationship between Natural Partners

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## INTRODUCTION

Amidst the intensification of the East-West conflict against the backdrop of the Vietnam War, ASEAN came into existence in 1967 as a child of the Cold War. Although never officially stated, we know today that ASEAN's founding fathers saw regional co-operation as a means of strengthening Southeast Asia's position in the Asia-Pacific and reducing its risk of getting caught up in the East-West confrontation. Over the following three decades, the association successfully institutionalised regular meetings among the member states, enabling effective liaison among them on various challenges to the region. Thus, one of the most remarkable success stories of ASEAN has been its role in harmonising the foreign policies of its member states, conducive to a coherent voice on the international stage. In particular, this has assisted ASEAN in establishing formal relations with leading regional and global powers, of which the United States (US), Japan, China and Russia have been important partners within the annual series of conferences and forums in the frameworks of the ASEAN Post-Ministerial Conferences (PMCs), the ASEAN Regional Forum (ARF), the East Asia Summit (EAS) and the ASEAN Defence Ministers' Meeting Plus (ADMM-Plus). Like no other group of non-Western countries, ASEAN as a collective actor has grabbed the attention of the regional and global powers through its many well-established dialogue mechanisms, which belong to the most recognised international dialogue forums in the world.

The strong links that ASEAN members have managed to forge with each other have been furthermore favourable for ASEAN's overall bargaining position and success in negotiations with third countries. Indeed, ASEAN was once described as a "politico-

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diplomatic coalition vis-à-vis the outside world”<sup>1</sup>, a finding that is still valid today. An important step towards this achievement was made in 1972 when ASEAN initiated an institutionalised dialogue with the European Community. Since then ASEAN-EU relations have overcome various ups and downs, enhancing rapidly; for example, through the founding of the Asia-Europe Meeting (ASEM) in 1996 ASEAN-EU relations were reinforced. Amongst the low points of the ASEAN-EU relationship have been the suspension of the inter-regional free trade negotiations in 2009 and the diplomatic challenge of Myanmar’s membership in ASEAN. The latter problem in EU-ASEAN diplomacy was related to the oppressive nature of the military regime in Myanmar before the beginning of the country’s liberalisation process in 2011. Generally speaking, despite past differences, the EU and specifically the European Commission as a collective regional actor appear to be a “natural” partner to ASEAN, allowing an open inter-regional exchange of ideas and practices on a broad range of issues, including but not limited to trade and investment, regional stability and security as well as good governance and human rights. Thus, it is a surprise that *The 3rd ASEAN Reader* – probably the most comprehensive compilation of academic papers on the state of Southeast Asian regionalism, published in 2015 by the ISEAS-Yusof Ishak Institute – has not devoted a single chapter of its 84 chapters to ASEAN’s relations with the EU or European role in the region.<sup>2</sup> On the one hand, this seemingly confirms an often-heard perception of the EU as an also-ran in Southeast Asia. On the other, unlike the US, the EU and its member states have never been viewed as major Western players in Asia. Yet, the role of European actors in Southeast Asia is not negligible and, in fact, the EU has been frequently seen as a normative and soft power in the region. Soft power essentially describes the normative influence projected by states or a group of states in the international system with the help of non-military means.<sup>3</sup>

As far as the EU is concerned, soft power rests on two main pillars. First, Brussels has the benefit of its largely positive experience of European integration. There may have been periodic crises, such as the Greek financial turmoil and Brexit, but these have not had a permanent effect on this overall positive perception. We argue that ASEAN member states take interest in this experience and that the EU is in a good position to actively share this experience and contribute positively to integration processes in Southeast Asia. In the eyes of the EU, the promotion of regional cooperation implies a positive effect on peace and stability as well as prosperity through increased regional trade. Second, the EU is keen to contribute to the global spread of democracy, rule of law, human rights, and other liberal values. The EU shares, promotes, and implements

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<sup>1</sup> Noordin Sopiee, “ASEAN and Indo-China after a Cambodian settlement”, in D. Alves (ed.), *Change, Interdependence and Security in the Pacific Basin*. The 19th Pacific Symposium, Washington, DC: 1991, pp. 315-36: 320.

<sup>2</sup> Ooi Kee Beng et al., *The 3rd ASEAN Reader*, Singapore 2015.

<sup>3</sup> Joseph Nye, *Soft Power: The Means to Success in World Politics*, New York, 2004.

these interests mainly through development cooperation and traditional diplomacy, which involves a multi-layered and complex dialogue in the case of Southeast Asia. In fact, through these multi-layered and complex channels the EU has also been able to strengthen its profile as a security actor, particularly in the field of non-traditional security and on matters related to the South China Sea disputes. In recent years, these issue areas have also been increasingly treated within the EU's bilateral relations with individual ASEAN member states. These bilateralisms have paralleled its inter-regional approach and growing multilateral interest in the region. Before discussing these bilateral relations, we will provide an overview of the institutional evolution of the ASEAN-EU relationship and the challenges encountered within this dialogue process.

## THE DEVELOPMENT OF INTER-REGIONAL RELATIONS AND ITS CHALLENGES

When the foreign ministers of Indonesia, Malaysia, the Philippines, Singapore and Thailand founded ASEAN, one main objective was “to maintain close and beneficial co-operation with existing international and regional organisations with similar aims and purposes”, as stated in the ASEAN (Bangkok) Declaration, the organisation's founding document.<sup>4</sup> Five years later, in April 1972, ASEAN launched a Special Co-ordination Committee (SCANN) to conduct a regular dialogue with the European Community (EC), which became ASEAN's first “Dialogue Partner”. A few months later, this initiative led to the establishment of the ASEAN-Brussels Committee (ABC), comprising ASEAN ambassadors accredited to the EC to act as ASEAN's outpost in Europe. The ABC – which was the first ASEAN Committee in a third country – marks the beginning of formalised ASEAN-EU relations. In 1974, a Joint ASEAN-EC Study Group was established to complement the commercial co-operation agreements that had been negotiated bilaterally between the EC and individual Commonwealth countries in Southeast Asia. In November 1978 the first ASEAN-EC Ministerial Meeting (AEMM) took place.

The signing of the ASEAN-EC Cooperation Agreement in Kuala Lumpur in 1980 was an important step for cooperation between the two regional organisations. It was the first international treaty that the European Community signed with another regional organisation. Of particular importance was the statement in the agreement that “such cooperation will be between equal partners”, without disclaiming that it will “take into account the level of development of the member countries of ASEAN and the emergence of ASEAN as a viable and cohesive grouping, which has contributed to the stability and peace in Southeast Asia”.<sup>5</sup> This effort was mainly driven by global eco-

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<sup>4</sup> <http://asean.org/the-asean-declaration-bangkok-declaration-bangkok-8-august-1967/> (accessed 22 May 2017).

<sup>5</sup> <http://investmentpolicyhub.unctad.org/Download/TreatyFile/3106> (assessed 22 May 2017).

conomic issues, which demanded greater dialogue and cooperation across regions. The Agreement extended the Most Favoured Nation (MFN) treatment to the contracting parties and institutionalised the exchange of information, paving the way for EC assistance in several development projects. It established a second track for dialogue and cooperation, which specifically covered the EC and the signatories of the Cooperation Agreement. Under the treaty, objectives for commercial, economic, and technical cooperation were established and a Joint Cooperation Committee (JCC) was formed to monitor ASEAN-EC cooperation.<sup>6</sup>

## ASEM and ARF

Closely connected with – but formally independent from – the EU-ASEAN dialogue is the Asia-Europe Meeting (ASEM). Singapore proposed ASEM and was strongly supported by France. The creation of ASEM would be the European-East Asian institutional response to the strengthened transpacific cooperation established through the founding of the Asia Pacific Economic Cooperation (APEC) and other organisations in the 1990s. The first ASEM meeting was held in Bangkok in March 1996, followed by regular summits and meetings which have taken place every two years and alternate between European and Asian cities. According to the official political statements, ASEM “is an intergovernmental forum for dialogue and cooperation which fosters political dialogue, reinforces economic cooperation, and promotes collaboration in other areas of mutual interest”.<sup>7</sup> Initially consisting of 26 members, in 2017 ASEM comprised 53 partners: 30 European and 21 Asian countries, the European Commission and the ASEAN Secretariat.

The ASEM process consists of three main pillars: the political pillar, the economic pillar and the social and cultural pillar. ASEM meetings take place at the level of the heads of state, ministers and senior officials, providing a forum for Asian and European countries to discuss major global issues ranging from trade and human rights to terrorism and weapons of mass destruction. Additionally, ASEM as an umbrella framework has opened space for non-governmental actors in Europe and Asia to connect. This is considered as the so-called “track-two” level of dialogue and cooperation. Among the most important non-state cooperation mechanisms is the Asia-Europe Foundation (ASEF), a think tank that aims to boost intellectual, cultural, and economic interaction between the two regions. Indeed, various officials involved in the ASEM process have referred to this track-two diplomacy as one of the most valuable achievements of

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<sup>6</sup> Yeo Lay Hwee, “The Inter-Regional Dimension of EU-Asia Relations: EU-ASEAN and the Asia-Europe Meeting (ASEM) Process”, *European Studies*, 25, 2007, pp. 173-191: 178.

<sup>7</sup> <http://www.aseminfoboard.org/about> (assessed 22 May 2017).

ASEM and most effective platforms for the visibility of civil society within the EU-Asia relations.<sup>8</sup>

It is indeed this latter aspect that underlines the overall rationale for ASEM's existence. That is, it is a forum that serves as a dialogue facilitator and platform for regular interactions amongst a highly diverse group of governments that do not necessarily share the same interests, strategies, and priorities in world affairs. Although ASEM has not fully lived up to initial expectations for effective and institutionalised management of Europe-Asia relations, it still offers its members the opportunity of testing the waters for new initiatives that can later be followed up in smaller and more formalised diplomatic settings, either within the context of bilateral relations or less diverse multilateral groupings.

The EU, represented by the European Commission, is also a member of the ASEAN Regional Forum (ARF), founded in 1994, which meets on an annual basis to discuss security issues in the Asia-Pacific region. The ARF has offered the EU the opportunity to enhance its collective security actorness as co-host or co-chair on a wide range of security issues. However, unlike other main dialogue partners of ASEAN,<sup>9</sup> the EU is not (yet) a member of ASEAN Defence Ministers' Meeting-Plus, the currently most important regional mechanism for governmental exchanges on security.

## Contemporary ASEAN-EU Relations in the Lisbon Era

A first-ever ASEAN-EU Summit of the heads of state and government took place in November 2007 in Singapore to celebrate 30 years of formal relations between the EU and ASEAN, and to mark the beginning of dialogue and cooperation on a higher plane. Bloomy political rhetoric at the event, praising the achievements and bright future of inter-regional relations, could not whitewash the modest attention this event received from the European heads of state. Participants referred to an embarrassment for the EU and to a "loss of face" for Singapore. This still resonates negatively in ASEAN-EU diplomacy today.<sup>10</sup> Thus, generally speaking, in spite of the rapid expansion of the various communication channels between the EU and ASEAN, the ASEAN-EU relationship should not be mistaken for a smooth success story. Conflicting topics ranging from human rights to good governance have frequently disrupted the relations particularly in the 1990s. Prominently, ASEAN's initiative to admit Myanmar as a new member to ASEAN in 1997 presented a major setback. Myanmar's ASEAN

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<sup>8</sup> Interviews conducted by Jörn Dosch in Singapore, Jakarta, Kuala Lumpur, and Brussels in 2013 and 2014.

<sup>9</sup> Australia, China, India, Japan, New Zealand, Republic of Korea, Russian Federation, and the United States; see <https://admm.asean.org/index.php/about-admm/about-admm-plus.html> (accessed 22 May 2017).

<sup>10</sup> According to interviews conducted by Jörn Dosch in Singapore and Brussels in 2013.

membership was strongly opposed by the EU and other Western partners to ASEAN.<sup>11</sup> In the period 1996-1997, the EU changed its earlier policy of “critical dialogue” with Myanmar, suspended all ministerial contacts, and withdrew tariff preferences granted to industrial and agricultural goods under the General System of Preferences (GSP).<sup>12</sup> At a meeting in Luxembourg in April 2000, EU foreign ministers – led by Great Britain and Denmark – tightened sanctions against Myanmar and extended an earlier ban on Myanmar government officials who wanted to visit EU countries for the ASEAN-EU meetings.<sup>13</sup> For several years, the European Commission regularly repeated its position that it could not agree on the full participation of Myanmar in the official ASEAN-EU dialogue as long as the situation in the country regarding democracy and human rights did not improve significantly. Markedly, different European and Asian views on how to deal with Myanmar had been a constant thorn in the side of the ASEAN-EU relations and within ASEM. In fact, the issue of Myanmar also played a part in the failure of the EU-ASEAN FTA. After March 2011, when U Thein Sein, a former general who was prime minister in the military junta, became president and initiated far-reaching political reforms, Myanmar as the stumbling block in the ASEAN-EU relations subsided quickly. This resulted in the gradual easing of sanctions, which were terminated in 2013, except the embargo on arms and goods that might be used for internal repression. The EU has committed an amount of Euro 688 million for the 2014-2020 period. It is one of the main providers of Official Development Assistance (ODA) to Myanmar. This support focuses on strengthening governance, rule of law, capacity-building of state institutions, and peace-building.<sup>14</sup>

## THE EU AS A KEY SUPPORTER OF REGIONAL INTEGRATION IN SOUTHEAST ASIA

In many ways, the promotion of regional integration and “good regional governance” through development cooperation has been one of the most effective characteristics of the EU’s relations with ASEAN, although development cooperation hardly appears on the radar screen of analysts. Even Rodolfo Severino’s otherwise very insightful account *Southeast Asia in search of an ASEAN Community* only briefly touches upon this

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<sup>11</sup> Catherine Shanahan Renshaw, “Democratic Transformation and Regional Institutions: The Case of Myanmar and ASEAN”, *Journal of Current Southeast Asian Affairs*, 32:1, pp. 29-54: 38.

<sup>12</sup> Brian Bridges, *Europe and the Challenge of the Asia-Pacific. Change, Continuity and Crisis*, Cheltenham 1999: 89.

<sup>13</sup> Reuters, *EU Ministers Tighten Myanmar Sanctions*, 11 April 2000, [www.burmalibrary.org/TinKyii/archives/2000-04/msg00008.html](http://www.burmalibrary.org/TinKyii/archives/2000-04/msg00008.html) (accessed 22 May 2017).

<sup>14</sup> European Union, Development Cooperation Instrument Multiannual Indicative Programme (2014-2020), Myanmar/Burma, [https://eeas.europa.eu/sites/eeas/files/eu-multi-annual-indicative-programme-2014-2020\\_en.pdf](https://eeas.europa.eu/sites/eeas/files/eu-multi-annual-indicative-programme-2014-2020_en.pdf) (accessed 22 May 2017).

aspect. ASEAN-EU development cooperation, writes the former ASEAN Secretary General, “is meant to equip ASEAN – ASEAN Secretariat and the ASEAN member states – with knowledge, insights and expertise in different elements of regional economic integration”.<sup>15</sup> Between 1996 and 2013, the European Commission provided the ASEAN nations with almost Euro 200 million as part of its development assistance programme. This funding was used to support a range of integration projects, particularly in the economic sphere, but also latterly in a number of other areas. For 2014 to 2020, Brussels has budgeted Euro 320 million for the promotion of regional integration in Asia. Euro 170 million of this is destined for ASEAN, an average of Euro 24 million per year.<sup>16</sup> The relevance and scale of this financial support is particularly revealed when we realise that ASEAN’s most recent annual budget is just USD 16.2 million. This sum is made up of ten equal contributions by the ASEAN member states and basically only covers the Secretariat’s operating and staff costs. Without outside assistance, ASEAN would not be in the position to finance the implementation of the majority of the projects under the ASEAN Economic Community (AEC), which formally came into existence on 31 December 2015. The funding for amending the legal and regulative frameworks, training of officials involved, creating the necessary physical infrastructure, and other key measures has been almost exclusively provided by international donors, particularly the EU. A number of large projects funded by the European Commission are of special significance here: the multi-million ASEAN Programme for Regional Integration Support (APRIS, 2003 to 2010) and its successor ASEAN Regional Integration Support from the EU (ARISE, 2013 to 2016); the EU-ASEAN Project on the Protection of Intellectual Property Rights (ECAP), which has been running since 1993; and the Regional EU-ASEAN Dialogue Instrument (READI), which has been ongoing since 2011 and addresses non-economic issues such as disaster preparedness and management, energy security, and human rights. The current initiatives form part of the Bandar Seri Begawan Plan of Action to Strengthen the EU-ASEAN Enhanced Partnership (2013 to 2017), adopted in April 2012. This broad agreement aims to intensify cooperation in the areas of policy and security policy (including human rights), business and trade, socio-cultural and civil society issues, and institutional cooperation.<sup>17</sup>

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<sup>15</sup> Rodolfo C. Severino, *Southeast Asia in search of an ASEAN community: insights from the former ASEAN Secretary-General*, Singapore, 2006, p. 334.

<sup>16</sup> Dimitri Vanoverbeke and Michael Reiterer, “ASEAN’s Regional Approach to Human Rights: The Limits of the European Model?”, in Wolfgang Benedek et al. (eds.), *European Yearbook on Human Rights 2014*, Antwerp et al.: NWV: 185-196: 186; EU (2014) *Regional Programming for Asia Multiannual Indicative Programme, 2014-2020*, [http://eeas.europa.eu/archives/docs/asia/docs/rsp/regional-asia-mip-2014-2020\\_en.pdf](http://eeas.europa.eu/archives/docs/asia/docs/rsp/regional-asia-mip-2014-2020_en.pdf) (accessed 4 May 2017), p. 8.

<sup>17</sup> [http://www.consilium.europa.eu/uedocs/cms\\_Data/docs/pressdata/EN/foraff/129884.pdf](http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/129884.pdf) (accessed 22 May 2017).

Ever since the early days of Southeast Asian regionalism, there has been a strong belief that ASEAN does not view the EU integration process as a model experience that it wishes to emulate. Most member states do not see the possibility that ASEAN could develop into a supranational organisation. However, beyond the political rhetoric and with a view to ASEAN's everyday activities, there can be no doubt that the EU is viewed by senior officials at the ASEAN Secretariat in Jakarta and many of the foreign and trade ministries of the member states as an important source of inspiration on specific integration issues – not as a blueprint but a point of reference. Furthermore, a number of high-level ASEAN decision-makers, including two former Deputy Secretary Generals, have confirmed that ASEAN could not exist without the substantial financial support provided by international donors and above all the EU.<sup>18</sup> This support has played a crucial role in the establishment of new standards by the ASEAN member countries, for example, in the field of cross-border transport of goods and customs. This impact is evidence of the EU as a soft power in the region.<sup>19</sup> This role of the EU as a key external promoter of regional economic integration raises moreover the question whether this influence could strengthen overall European influence in the region, including along political and security lines?

## THE EU AS A SECURITY ACTOR IN SOUTHEAST ASIA

In the absence of hard military power – beyond occasional British military exercises within the context of the Five Power Defense Agreements (FPDA)<sup>20</sup> – the EU and its member states have shown growing attention to Southeast Asia on a variety of trans-boundary and non-tradition security (NTS) challenges. In particular, in the aftermath of the terror attacks on New York and Washington on 11 September 2001 and worldwide securitisation trends, the security perspective – and with it the NTS angle – has incrementally advanced within Western European interests towards Asia, entering official declarations and summitry within the ASEAN-EU and ASEM dialogue processes.<sup>21</sup> By 2011, the NTS rhetoric had firmly arrived on the ASEM inter-regional agenda taking priority status within the ASEM Foreign Ministers' Meeting. This rise of the NTS terminology within the EU-Asian interregional dialogue processes was confirmed with high-profile EU leaders Herman van Rompuy and José Manuel Barroso explicitly re-

<sup>18</sup> Personal interviews in Kuala Lumpur, May 2013, and Manila, December 2015.

<sup>19</sup> Jörn Dosch, *Die ASEAN Wirtschaftsgemeinschaft. Überblick für Wissenschaft und Praxis*, Baden-Baden 2016, pp. 132-135.

<sup>20</sup> The FPDA are a series of multilateral defence agreements signed in 1971 by the Commonwealth members United Kingdom, Australia, New Zealand, Malaysia, and Singapore.

<sup>21</sup> Ken Booth, *Critical Security Studies and World Politics*, Boulder 2005.



ferring to the NTS concept in the context of the EU's relations with Asia.<sup>22</sup> The EU's experience in preventive diplomacy and multilateral confidence-building across many issue areas appears especially relevant to the treatment of NTS matters within the ARF. For example, the previous experience of European External Action Service (EEAS) in hosting High-Level Dialogues (HLDs) on maritime security in the region pertains to the EU's role as ARF co-chair on maritime security from 2017-2020. Currently, the South China Sea (SCS) dispute related to territory and resources in the Spratly and Paracel Islands and adjacent waters can be considered as one of the most important security issues in the region. All official SCS claimants (China, Taiwan, Vietnam, Philippines, Malaysia, and Brunei) have multiple overlapping claims in the area.

Overall, the EU – which is not actively involved in these territorial disputes and great power politics of the Asia-Pacific – has assumed a relatively coherent voice and made reprimanding official statements of concern in instances of severe violation of international law. For example, the fall-out between China and Vietnam in connection to movements of the Chinese oil rig HD981 in May 2014 displayed this collective international agency of the EU.<sup>23</sup> Another incident underlining the united voice of the EU was the Chinese instalment of missiles in disputed territory in March 2016.<sup>24</sup> In addition to this construction of the EU as a principled collective actor with a united voice on the issue of the South China Sea, EU and EU member state officials have furthermore shown interest in substantiating their commitment to the region through attending and co-hosting a variety of seminars and workshops.

Another example of a pro-active approach towards Southeast Asian security is the EU's past role as a co-host of the ARF Inter-Sessional Meeting on transnational crime and counter terrorism. This experience is relevant to the priorities of the current ARF agenda, as expressed by the Philippines as the ASEAN and ARF chair in 2017. The Philippines stated the significance of transboundary and NTS challenges at the 23rd ARF in 2016 and commended the work of the ARF members thus far in addressing terrorism and extremism, trafficking in persons, drug trafficking, and climate change within the ARF framework. Most importantly, perhaps, for the EU in the region is the reference to ASEM made in the joint statement by the Philippines and China on 21 October 2016, committing to “continued cooperation” in other dialogue fora, including

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<sup>22</sup> José Manuel Barroso and Herman van Rompuy, *Asia and Europe meeting (ASEM): a strong partnership for peace and prosperity*, 2012, <http://opinion.inquirer.net/40150/asem-strong-partnership-for-peace-and-prosperity>, (accessed 22 May 2017).

<sup>23</sup> Naila Maier-Knapp, “The EU as an Actor in Southeast Asia in the context of the South China Sea Arbitration”, *European Foreign Affairs Review*, 22:4, forthcoming 2017.

<sup>24</sup> Ibid.

ASEM.<sup>25</sup> By naming ASEM specifically in their commitment to uphold multilateralism, both sides are acknowledging the multilateral significance of ASEM and hence, the EU's relevance for international politics. It is commonplace that within ASEM, the EU and its member states have considerable influence in shaping the nature of the bilateral and multilateral interactions, holding leadership status in certain areas and sharing relevant experience with China, the Philippines and other ASEM countries. At the same time, these partner countries have actively drawn upon the experience of the EU as a benchmark and frequently considered ASEM and the EU-ASEAN dialogue as an institutional reference for bilateral and multilateral cooperation. Active engagement of the EU in ASEM and ARF highlights European collective capacity which could work towards membership in the East Asian Summit (EAS), ADMM-Plus and affiliated meetings in the future.<sup>26</sup>

## BILATERALISM AS A PARALLEL STRATEGY

Despite some tangible results, as discussed above, there are clear limits to traditional EU-ASEAN and ASEM dialogue mechanisms regarding their utility in proliferating the EU's collective profile in Asia along politico-security as well as economic lines. Officials with insider knowledge of ASEM, for example, mentioned that co-operation had become very technical and that too much time had been devoted to the drafting of formal statements, rather than the promotion of the co-operation agenda. Some interviewees also stressed the necessity for a tighter ASEM strategy, particularly against the backdrop of the forum's heterogeneity.<sup>27</sup> Notwithstanding the EU's preference for a multilateral dialogue in relations with the ASEAN region as a whole, the European Commission also knows how to engage Southeast Asia bilaterally and possesses country-specific agendas and experiences compatible with those of the individual ARF member states. Relevant experience in this context includes, for example, the European Commission's actions on illegal, unreported and unregulated fishing (IUU) in Thailand in the aftermath of revelations of slavery and human trafficking in 2015. The EU threatened Thailand's government with economic sanctions unless reforms were made. This pressure was coupled with incentives of reform assistance. While, at first glance, sanctioning action seemed directly targeted at the trade and fishery sectors, reform in these sectors generally imply potential spill-overs to security-related sectors and hence,

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<sup>25</sup> The Republic of the Philippines and the People's Republic of China, *Joint Statement of the Republic of the Philippines and the People's Republic of China*, 2016, <http://www.gov.ph/2011/09/01/joint-statement-of-the-philippines-and-the-peoples-republic-of-china-september-1-2011/> (accessed 22 May 2017).

<sup>26</sup> Maier-Knapp, "The EU as an Actor in Southeast Asia in the context of the South China Sea Arbitration", forthcoming 2017.

<sup>27</sup> Interviews conducted by Jörn Dosch in Singapore, Jakarta, and Brussels in 2014 and 2015.

it is of interest to those ARF partners working, among others, on organised crime and illegal migration.

In the trade sector, the EU has abandoned a multilateral approach to ASEAN altogether, at least for the time being. ASEAN as a whole represents the EU's third largest trading partner outside Europe (after the US and China) with approximately Euro 246 billion of trade in goods and services in 2014. The EU is ASEAN's second largest trading partner after China, accounting for around 13% of ASEAN trade. Furthermore, the EU is the largest investor in ASEAN countries, accounting for 22% of total FDI inflows in the region.<sup>28</sup> In May 2007, negotiations on an ASEAN-EU Free Trade Agreement were launched. In 2009, however, the trade talks stalled and have not been resumed. Officially, diverging views on the participation of Myanmar in a free trade agreement were cited as the main stumbling block. But the more decisive reasons lie deeper and are of a structural nature. ASEAN remains highly diverse in terms of its member states' levels of economic development, political systems and approaches to governance, security interests and, not least, strategic significance in the perception of extra-regional powers. The ASEAN Charter has provided the group with an identity makeover and legal personality, but overall confirmed the traditional ASEAN way of soft institutionalisation and consensus-building in the process of inter-governmental cooperation. At the same time the European Commission – which, as the supranational authority on all trade-related matters, negotiates free trade agreements on behalf of the EU – has a standard approach to international trade agreements which lacks flexibility and thus did not play well with ASEAN negotiators. Brussels's insistence on a comprehensive “new generation” FTA that includes far-reaching legally binding provisions on inter alia services, intellectual property rights, and governance issues, clashed with ASEAN's understanding of a more limited approach that focuses on trade liberalisation only.<sup>29</sup> Soon, both ASEAN and the European Commission realised that bilateralism offered a more flexible and effective approach and subsequently the Commission approached several individual ASEAN members for negotiations on bilateral free trade agreements; negotiations of bilateral FTAs were concluded with Singapore in October 2014 and with Vietnam in December 2015 respectively. However, the future of the deals remains uncertain. In May 2017 the European Court of Justice (ECJ) ruled that the FTA with Singapore requires ratification by the EU's 38 national and regional authorities before entering into force. The European Commission itself had asked the court for clarification on whether it had exclusive competence to finalise the agreement.

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<sup>28</sup> <http://ec.europa.eu/trade/policy/countries-and-regions/regions/asean/> (accessed 22 May 2017).

<sup>29</sup> Jörn Dosch, “Europe and the Asia Pacific: achievements of inter-regionalism”, in Michael K. Connors, Rémy Davison and Jörn Dosch, *The New Global Politics of the Asia Pacific*, second revised edition, London, 2012, pp. 121-140.

## CONCLUSIONS AND OUTLOOK

Since its humble beginnings in the early 1970s, relations between the EU and ASEAN have deepened and broadened steadily, as outlined in the discussions of the EU's interaction with and within ASEAN in the context of the EU-ASEAN dialogue, ASEM and ARF. At critical junctures this process has often reflected agendas and developments at the global level; ASEM's founding, for example, has been portrayed as an institutional response to institutional integration processes across the Pacific. Although not explicitly stated, for both the EU and ASEAN the main motivation for ASEM's formation was a perceived need to balance the pre-eminent, maybe even hegemonic position and role of the US in the Asia-Pacific region. In a similar vein, the EU's increasing gravitation towards Southeast Asia in the early 2000s was part of a broader outward-orientation to Asia, which was not least driven by the economic interests in China. This drive was characterised by a comprehensive approach to the region, which took into account a broad and global perspective on politico-security issues.

It has been particularly in this time of worldwide securitisation trends in the aftermath of the 11 September 2001 attacks that the security perspective towards ASEAN jelled. In spite of the growing EU security interest in the region and its visibly growing influence on NTS discourses, it cannot be ignored that the EU is a remote regional actor with a developing – rather than a firmly established – collective politico-security profile. The EU is aware of this limitation and has therefore focused on aspects of diplomacy and capacity-building related to a broad spectrum of security and economic issues which commonly relate to its experience as a collective actor and themes located at the nexus of security, the economy and development pertaining to the needs of Southeast Asian countries.

It is within the context of development cooperation in the broadest sense that meaningful normative change has taken place in intra-regional relations due to EU soft power. There is indeed a European tone to the ongoing process of ASEAN integration with all its technicalities as well as discourse on regional governance and related agendas. In spite of these positive interpretations for EU engagement in the region, one has to be mindful of the centrality of the state and geo-economic factors within Southeast Asian conceptions of multilateralism, frequently conflicting with European understandings. Complementary to the EU's advocacy of multilateralism and sharing of multilateral experiences through inter-regional dialogue mechanisms, the EU has increasingly turned to bilateral approaches as a parallel strategy. Against the backdrop of political and economic heterogeneity of the ASEAN member states, this approach has proven to be effective thus far. For the time being, it appears that there is one challenge which is always likely to restrict the EU's role towards ASEAN. As far as foreign policy is concerned, the EU's institutional structure means it cannot act in the same way as a nation state. Coordination on foreign and security policy issues has increased, but remains a challenge in light of the manifold interests of the European Parliament, European Commission and EU member states.

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