

BEYOND DIFFERENCES: ASEAN-EU PARTNERSHIP

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ABSTRACT

The most recognized organizations are typically situated in the United States or Europe, with entities like ASEAN often overlooked. Nevertheless, the European Union has significantly strengthened its alliance with ASEAN over the past two decades, recognizing it as a crucial economic community. The partnership primarily focuses on trade and economic advancement, proving mutually beneficial as it has doubled within a decade. Noteworthy initiatives, including ARISE+, AFOSP, ACTS, and ATR, have been implemented through this collaboration. In addition to these multilateral agreements, the European Union has entered into bilateral agreements with countries like Singapore, Vietnam, and Indonesia, anticipating substantial economic growth. Security stands as another pivotal aspect of this partnership, marked by bold initiatives in collaboration with INTERPOL to combat both transnational and national crimes, including efforts to curb human trafficking.

Keywords: Partnership, economy, security, transnational, bilateral

Nowadays, the most impactful and well-known organizations are based in Europe or the United States. The general public often forgets that other organizations can be as important, such as ASEAN (Association of Southeast Asian Nations). ASEAN's main purposes are related cooperation in the economical field, financial, cultural, and educational. Much like European organizations, ASEAN promotes regional peace and stability. Examining the cooperation between these two entities will provide an intriguing perspective, especially the mutual benefits derived from this partnership in the recent years.

ASEAN, founded in 1967, integrates the southeastern states from Asia, such as Indonesia, Malaysia, Philippines, Singapore, and Thailand. The main purposes were economic cooperation and regional peace. Although ASEAN expanded throughout the years, it was criticized for its lack of achievements in such a long period of time. Its ineffectiveness was prominent during the crisis in 1997-99.¹ ASEAN was also criticized due to its weak structure and its inability to carry out ambitious goals. However, it managed to unite its members around the same goals and interests. ASEAN follows to protect regional

peace, it has a strict rule of no interference, each state has autonomy, do not condone armed conflict, but instead wish to peacefully resolve conflicts.² Thus, this organization is mostly based on socio-cultural norms. It is important to note that ASEAN is not a military organization, that would mean to acknowledge that there is an enemy. The ASEAN Free Trade Area (AFTA) act adopted in 1992 supported cooperation among member states, reducing trade tax in the region.³ ASEAN Plus Three, meaning China, Japan, and South Korea, brought improvements, especially on an international level, given that it addressed the need to cooperate with other organizations, such as the European Union⁴.

The European Union was formally founded in 1993, and up until today it is formed by 27 countries. It is an economical and a political union, promoting peace, freedom, and development. The European values refer to human rights, democracy, freedom, equality, and rule of law.⁵ The European Union has more power over its members. In comparison with ASEAN, the EU structure is more cohesive and powerful, it is

² Ibid., 413.

³ ASEAN Secretariat. *Southeast Asia, A Free Trade Area*, 1-12.

⁴ Shaun Narine. *op. cit.*, 423.

⁵ European Union. "Aims and Values".

¹ Shaun Narine. "Forty years of ASEAN: a historical review". *The Pacific Review*, Vol. 21 No. 4 (December 2008): 411

divided into 7 institutions, which play different roles and provide insight. The process of decision making must go through the Parliament, the Council, and the Commission. The Commission proposes a law, and the Parliament and Council must agree in order for the law to be adopted. It is no secret that the EU is also an economical power, as it accounts for 14% of all trade worldwide. Only in 2021 the total value of goods in the EU region was at a total of €14.5 trillion⁶, in comparison with ASEAN with a market of only \$2.3 trillion.⁷

The four decades partnership between EU and ASEAN has grown during the last years. Both organizations benefited from this partnership, even if their organizational structure is different. ASEAN and EU began dialogue in 1977, following their official collaboration in 1980 with signing of ASEAN-EEC Cooperation Agreement.⁸ This partnership was strengthened 2007 with the adoption of the Nuremberg Declaration, which established a long-term collaboration. Up until 2012 ASEAN was only a minor actor on EU's agenda, when it emphasized the need to enhance this collaboration.⁹ EU is one of the most important trading partners of ASEAN, and combined they bring together two of the major economic areas. The EU-ASEAN Blue Book highlights the resolutions of each year and their achievements. Each year this partnership evolves and brings better changes. ASEAN Economic Community (AEC), launched in 2015, is comprised of over 660 million consumers, making it an important economic partner for the European Union. The EU supported and invested in ASEAN's economic integration as it benefits both parties. The ASEAN region is an important corridor for trading goods, especially for the EU as it accesses other important economic partners, for example China, Japan, and South Korea.¹⁰

The two organizations share the same objectives in regard with trade, peace, and security. Trade and economic collaboration are two important parts of this partnership. Starting with an agreement regarding air transport to facilitate trade, ensure security and better

traffic management. Trade is an important part of the partnership, which is closely related to infrastructure, regulations, logistics. For the trade to be ensured in optimal conditions, it is required for both parties to have a good infrastructure and an innovative plan of logistics. Up until 2018 the EU was the second major trading partner of ASEAN, exceeded only by China, and ASEAN was the third major trading partner of EU, exceeded only by the United States and China.¹¹ In order to enhance trading, ASEAN with the support of EU made possible a multimodal transportation method. Multimodal transportation facilitates the import-export of goods and increases the economy in the region.¹² For more transparency in the trading sector, the two organizations introduced a platform that would make communication easier between the private sector the public sphere. The ARISE+ program allows businesses to address any problems they may face in regard with trade or to consult with member states. The executive director of the EU-ASEAN Business Council, Chris Humphrey states that this program is pivotal in ASEAN's economic integration.¹³ ARISE+ also addresses the organic agriculture sector, to ensure sustainable agriculture and establish a centralized system to ensure distribution. This program refers to civil transportation. It follows to connect people from different cultures through safe and better transportation, but also to contribute to a single aviation market.¹⁴ The partnership between the two organizations also supports farmers and farmers' trading. AFOSP (ASEAN Farmers' Organisations Support Programme) offers support for farmers in the ASEAN region and offers consultation for fair trade. For example, the region of ASEAN has a favorable climate for coffee production. The program follows to open access to the market, to help businesses and to ensure fair trade for coffee and coffee products. Connecting farmers and small businesses to private buyers would increase the economic exchange through cooperatives.¹⁵

In regard with the AFOSP, we are given the example of a farmer from Myanmar, U Zaw Myo Naing, who owns 6 acres of land where he cultivates coffee. His main problem was that he could not capitalize successfully on his product. The EU funded certain programs through AFOSP that included forums, workshops that

⁶ European Union. "Facts and figures on the European Union economy".

⁷ Association of Southeast Asian Nations. "Overview".

⁸ ASEAN Secretariat. "Overview ASEAN-European Union Dialogue Relations". ASEAN Secretariat's Information Paper (August 2019).

⁹ Xuechen, Iris Chen. "The Role of ASEAN's Identities in Reshaping the ASEAN-EU Relationship." *Contemporary Southeast Asia* 40, no. 2 (2018): 223.

¹⁰ Binder, Krisztina. "Trade negotiations between the EU and ASEAN member states", 1-2.

¹¹ Blue Book. *EU-ASEAN Natural Partners*, 2020, 28.

¹² Ibid., 30-31.

¹³ Ibid., 32.

¹⁴ Ibid., 33-34.

¹⁵ Ibid., 43-45.

included learning new skills, how coffee should be prepared and packaged. After attending these forums and workshops, his production dramatically increased. From producing 50 boxes of coffee, now he produces 2000 boxes.¹⁶ Thus, this partnership is benefic for everyone, especially for small businesses, it facilitates their access to the open market. Not only this, but the program supports and underlines the importance of sustainable agriculture. In some ASEAN countries, agriculture is the main source of income, thus it is important to support the local farmers to boost the economy. As stated before, AFOSP's role is to ensure that farmers are properly educated to condone sustainable agriculture, and to financially support them. Farmers have the opportunity to access a wider network to promote their products.

In 2021 EU was the second largest provider of external aid in the ASEAN region, after the US. In the same year, the EU imported goods worth of €136.1 billion from the ASEAN region, instead ASEAN imported €79.7 billion worth of goods from the EU.¹⁷ From 2011 to 2021 there was a significant increase in merchandise trading, for example in 2011 it was worth €138.5 billion, and in 2021 €215.9 billion.¹⁸ The trade in services doubled in the same amount of time, from 41.1 to €82.4 billion.¹⁹ In the last years, the European Union was one of the most important foreign investors in the region. For reference, in 2018 they accounted for 14.2% of direct foreign investment, followed by Japan with 13.3% and China with 6.6%. The EU also has closed bilateral agreements with multiple ASEAN countries, such as Thailand, Singapore, Malaysia, and Vietnam. They were the EU's main partners in trading, in 2019 they comprised 78% of the total EU exports and imports. Even if Singapore held the majority of the shares, Vietnam exported the most to the EU. In comparison, Brunei, Cambodia, Laos, and Myanmar accounted only 2.3% of the total exports and 6.1% of imports. However, in 2017 Indonesia and the Philippines were the among the most important trading partners. Moreover, in 2017 Singapore registered the highest income with €117.3 billion. Singapore still remains the most important trading partner of the EU.²⁰ The talks between Singapore and the EU started in 2010, and slowly they reached a Free Trade Agreement

(FTA) through which Free Direct Investment (FDI) should be liberalized. It raises the issue of barrier tariff and elimination, the removal of double testing for certain goods, such as motor vehicles and electronics, for at least five years after the agreement was reached. This agreement facilitates the EU's access in Singapore's supply market for telecommunication and transport, giving EU bidders great opportunities. Both parties argue that they support a sustainable and fair development. The European Parliament follows to eliminate tariffs on European products, and to facilitate trading for European companies in the market of Singapore. It is expected that the EU exports to Singapore to increase by 3.6% in a period of a little over ten years, and to boost EU's economy with €550 million.

With Vietnam, negotiation started in 2012, and the agreement was reached in 2015, but official it was ratified in 2020 due to some concerns about human rights and sustainable development in the region. The FTA with Vietnam follows to eliminate 99% of all tariffs for both parties for at least ten years after the agreement was reached. Vietnam should align with the international standards imposed by the EU in regard with the pharmaceutical market and cars and should provide basic custom procedures. The FTA gives permission to the EU to participate in biddings for public contracts in Vietnam, and even state-owned enterprises.²¹ Through the FTA European companies will profit from more favorable conditions in the Vietnamese postal, banking, insurance, environment and so on.²² This agreement obliges Vietnam to align to the core standards of the International Labour Organization (ILO). The main objectives of this agreement are to improve labour and human rights, and to improve the overall quality of life in Vietnam. It is expected that Vietnam's GDP to increase by 15% in a longer period of time, and the export value to increase by 35%. The European Commission approximated that by 2035, the GDP will increase by €6 billion with an additional €15 billion in exports. However, for the EU the gains predicted are increasingly smaller, with a GDP growth of only €1.9 billion and revenue from exports at around €8.3 billion by 2035.²³

The EU started bilateral negotiation in 2016 with Indonesia, which were ratified in 2020. The negotiations included talks in regard to sanitary issues, trade defense, mutual administrative

¹⁶ Ibid., 46.

¹⁷ Blue book. *EU-ASEAN Strategic Partnership*, 2022, 46.

¹⁸ Ibid., 46.

¹⁹ Ibid., 47.

²⁰ Krisztina Binder. "Trade negotiations between the EU and ASEAN member states", 3.

²¹ Ibid., 4.

²² Ibid., 4.

²³ Ibid., 5.

cooperation. Overall, the negotiation process was successful, a few disagreements rose in the talks about state owned enterprises but talks about regulatory issues had a good progress. Indonesia is a valuable economic partner due to its palm oil industry. It is expected by 2032 a GDP increase of the EU approximately between €2.46-3.09 billion, and for Indonesia approximately between €4.56-5.19 billion. The exports are expected to increase between €5.03-5.89 billion for the EU, and for Indonesia between €5.03-5.60 billion.²⁴ However, with Thailand negotiation started in 2013, but were suspended in 2014 due to the political crisis in Thailand. The EU refused to condone negotiations or to sign any agreement until Thailand would establish a democratic regime that would respect human rights. In 2019 some steps were taken to undergo FTA negotiations.²⁵

FTA negotiations with Malaysia started in 2010, but they were put on hold in 2012. There were various reasons for that, the elections in Malaysia, Malaysia was restricted to negotiated due to its participation to the Trans-Pacific Partnership, and the failure of both parties to reach a favorable agreement. The talks were continued in 2016, but the EU imposed ambitious conditions for Malaysia, as it did to the other bilateral agreements. However, from Malaysia there were no active implications in the process. Malaysia threatened to sue the EU at the World Trade Organization in 2020 for restricting free trade. The EU stated in return that unless the Malaysian palm oil industry will not turn to more sustainable initiatives, the negotiations will not continue²⁶. FTA talks with the Philippines started in 2015. In 2017 both parties proposed some initiatives, however no further legislation took place afterwards. The negotiations were suspended due to the failure of the state to align to democracy and human rights imposed by the EU. Although the EU threatened to not continue negotiation with the Philippines until the issue of human rights, in 2020 both parties started discussions about a potential FTA negotiation process.²⁷

To facilitate goods transit, they implemented ACTS (ASEAN Custom Transit System), which would include simplified border customs, temporary tax exemption, reduced bureaucracy. Instead, they designed an online platform that would make trading more efficient in an era of globalization. The goods imported under the

ACTS initiative should not spend an enormous amount dealing with border customs. This initiative raises to the cost of €15 million, making it one of the biggest investments towards strengthening this partnership.²⁸ However, both organizations have been working on protecting trade. They lead a transparency-oriented politics related to trade to ensure that the guidelines are respected. Although investing in trade is a great way of boosting the economy, it cannot sustain itself without regulations. That is why the ATR (ASEAN Trade Repository) was implemented. The ATR follows to sustain a transparent trade policy. The ATR is an online platform which can be accessed by anyone, contributing to the idea of transparency. Each member state can access the platform, and it contains over 6000 measures.²⁹

Security is another major part of this partnership. In 2018 a delegation from the European parliament visited the ASEAN Secretariat to condone talks about some increasing issues, such as cyber-attacks, terrorism, radicalization, and transnational crime.³⁰ The EU is very active in the field of security cooperation, which is a major plus in this partnership as it helps enhance ASEAN's security both on a regional and international level. Maritime security contributes to both regional and global peace. The EU and ASEAN started talks in 2017 on how to improve maritime security to ensure safe passage for both citizens and trade. These talks also touch on the subject of potential challenges or threats. The talks brought to light the need for cooperation between local forces and organizations to ensure safety and safe passage. Good laws are needed in regard with maritime security, especially when it comes to piracy and prevention.³¹ Even if piracy was official eradicated in the 19th century, due to new challenges face across the world, such as national crisis and food shortage, piracy has emerged. It is a delicate problem to solve as the solutions are expensive and not efficient on a longer period of time. Therefore, strict, and just laws are needed to face the problems they might face. Other important security issues include cyber security and human trafficking. This partnership also follows to minimize cyber-attacks and to end trafficking of human beings.

In 2018, EU and ASEAN implemented a project with the collaboration of INTERPOL, the international police force, named EU-ASEAN Migration and Border Management Programme

²⁴ Ibid., 6.

²⁵ Ibid., 7.

²⁶ Ibid., 8.

²⁷ Ibid., 8.

²⁸ Blue book. *EU-ASEAN Strategic Partnership*, 2022, 50-51.

²⁹ Ibid., 52.

³⁰ Blue book. *EU-ASEAN Cooperation*, 2019, 16.

³¹ Ibid., 20-21.

II (EA-MBMP II). The project follows to strengthen cooperativity among police forces across different regions, and it expanded the reach of INTERPOL. In about 3 years the initiative expanded in 50 locations, 849 officers were trained, 266 of which were women. It contributed to the INTERPOL data base, and 1012 new cases were opened.³² The program strengthened border safety to combat transnational and organized crime. It is a challenging initiative as it is continuously expanding. For the ASEAN region this program follows to improve the quality of life and to combat crime, but also gives them access to a global database. The ASEAN member states also have the opportunity to work to INTERPOL officers, therefore facilitating fighting crime and rescuing victims. This program was financed by the EU and INTERPOL.³³

The ASEAN Regional Forum (ARF) is the major dialogue opener. The forum's main principles are to ensure good dialogue and consultations in regard with political and security issues, and to contribute to building a strong bond based on trust and diplomacy.³⁴ This partnership is one of the most diverse initiative, and ARF has the responsibility to bring all these cultures together. ARF can condone multilateral or bilateral discussion to achieve the needs and wants of all the parties involved peacefully and through consensus and non-interference. ARF has achieved to lead diplomatic discussions about security issues in multilateral settings, to build mutual trust, enhance cooperation, to provide consultations, to support transparency in information exchange about defense and creating a network to enhance security.³⁵ ARF is based of 4 criteria for participation: commitment-all participant must peacefully cooperate-, relevance-each state must prove its relevance-, gradual expansion-ARF must expand to achieve the needs of its members-, consultations.³⁶ The latest ARF plan of action adopted in 2020 sketches their main objectives. The ARF underlines the need to reform certain norms, to align to the UN Charter, to enhance cohesion, and to align with international laws and regulations. The plan of action stresses the need to strengthen civil-military, preparedness, disaster protocol. A better system to facilitate the response measure for disaster is needed. Cooperation and consultancy

with other international organizations is highly encouraged in order to reduce disaster risk, improve health and regulations.

ARF also follows to fight transnational crime and terrorism. ARF participants are encouraged to follow the UN laws and regulations to fight transnational crime. Multilateral cooperation is encouraged to exchange initiatives and protocols to fight and prevent money laundering, terrorism, crime, financing terrorist activities and information exchange. Also encourages cooperation between regional and international law enforcement organs. Follow to implement certain programs about reintegration and de-radicalization. ARF addresses the illegal production and capitalization of nuclear, biological, and chemical weapons and follows to eradicate it.³⁷ If this plan of action is to be successful it must start from the regional agencies, a good cooperation between regional law enforcement institution would favor a better unity and cooperation on an international level. More rigorous border controls are needed to fight crime. In regard with maritime security, the maritime laws and regulations must align with international and UN laws and regulations. Although freedom of navigation is highly supported, it needs to be in accordance with international laws, that means providing a safe space for both trading and human travel. Cooperation in regard to illegal fishing, rescue, maritime disaster is mandatory, and to form a network to ensure security. Chemical or biological disasters should be prevented and regulated. Navigation is highly recommended to be condoned in a sustainable manner and in alliance with the UN sustainable goals.³⁸ Security cooperation also refers to non-proliferation and disarmament. A major goal is non-proliferation and disarmament of nuclear weapons in order to reach a nuclear free world. For this, ARF supports a close cooperation with the International Atomic Energy Agency (IAEA) to ensure a peaceful usage of nuclear technologies and manufacturing in safe conditions. All ARF participants must comply to international laws about nuclear energy and safeguard. Cooperation and technical support are highly encouraged from more advanced states, and technological exchange is well-viewed.³⁹ In an era of technology, the use of information and communication are delicate issues. A breach of security is possible. Participant states are

³² Ibid., 22.

³³ Association of Southeast Asian Nations. "EU, ASEAN Launch 2nd Phase of Border Management Programme".

³⁴ ASEAN Regional Forum. "ASEAN Regional Forum".

³⁵ Ibid.

³⁶ Ibid.

³⁷ ASEAN Regional Forum. "ARF Ha Noi Plan Of Action II (2020-2025)", 1-5.

³⁸ Ibid. 6-7.

³⁹ Ibid. 8-9.

encouraged to cooperate in order to find the best solutions to fight cyber-attacks and to create strong networks. Thus, the main goal should always be peacekeeping and ensuring a safe space for all the parties involved.

The EU-ASEAN partnership is a daring initiative that proposes to unite different cultures and beliefs. Economic cooperation follows to increase the economy for both parties, although it seems that for less advanced ASEAN countries, the EU is the one who profits the most, boosting its economy drastically and benefits from reduced taxes. An almost equal increase in economy can be perceived with the more advanced ASEAN countries, such as Singapore. The EU has the opportunity to access a very diverse market and to influence important decisions in regard to regulations and laws. The EU is strict about the protection of humans and workers' rights; thus, it made some negotiations difficult. The ones who complied benefited from access to the European market, and those who did not were asked to review their legislation to align to the European values. It could be said that the EU has a position of greater power and influence given its boosting economy in comparison with less advanced countries. The ASEAN countries were more willing to negotiate than the EU was. Although this partnership was successful for both parties from a multilateral point of view, as ASEAN is the third major economic partner and EU is ASEAN's second major economic partner, some bilateral agreements failed to implement. Negotiations with Malaysia and Thailand failed due to political issues and disagreement in regard to human rights implementation and refusal to align to the European values. Both parties benefit from reduced barrier tariffs or elimination of tax, reduced border control and different programs and workshops to aid local businesses. Programs like ARISE+ or AFOSP improved the economy. ARISE+ follows to facilitate trading, improve overall life quality, to streamline customs and transport through ACTS, and supports economic integration of less advanced states. AFOSP supports local farmers and provide them with access to workshops and access to the free market. Security was another major point of discussion between the two organizations. Protecting trade transit is a very important subject of discussion, as well as maritime security. Both organizations reached the conclusion that better laws and regulations, as well as cooperation and unity are needed to ensure a safe transport. Probably the EU-ASEAN security measure in collaboration with INTERPOL, EA-MBMP II, was an ambitious

initiative. As it promised to train officers, provided access to an international database and to form a transnational network to fight crime. ARF played a major role in creating a secure space, as its condoned talks and negotiations about how to improve security in regard to navigation, transnational crime, nuclear weapons.

To sum up, the EU-ASEAN partnership managed to cross borders and defy differences, building an increasing economy that benefits both parties. Through this partnership, a more secure environment was built, protecting not only trade, but the citizens as well. It underlined the necessity to align to international regulations and norm to facilitate free trade and cooperation. Overall, this partnership streamlined trade, access to the free market and favored cooperation and cohesion.

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