



The EU-ASEAN Strategic Partnership: What Next?

By Lay Hwee Yeo | 21 June 2021

Key Issues

The EU-ASEAN strategic partnership should take into account the principles, interests and priorities set out in ASEAN's Outlook on the Indo-Pacific and the EU's Indo-Pacific strategy and strive to achieve the following:

- **Strengthening ocean governance:** From issues concerning freedom of navigation to addressing concerns over marine pollution and sustainable management of marine resources.
- **Strengthening connectivity:** From hard infrastructural connectivity in areas such as transport connectivity and digital connectivity to soft connectivity issues, such as the legal and normative frameworks underpinning all connectivity projects.
- **Strengthening regional organisations:** Increased cooperation to maintain the EU's strategic autonomy and ASEAN's centrality.

From Dialogue Partnership to Strategic Partnership

After more than 40 years of engagement, with many ups and downs, the EU and ASEAN finally acknowledged the significance and potential of this partnership. On 1 December 2020, the EU and ASEAN elevated their longstanding dialogue relations to a strategic partnership. This is ASEAN's seventh strategic partnership with a dialogue partner, in addition to China, Japan, South Korea, Australia, New Zealand and the US. For ASEAN, upgrading to a strategic partnership signals a higher level of trust and desire to intensify engagement, not only for mutual gains but also to work together towards peace and prosperity in the region.

There is much that the EU and ASEAN should focus on in terms of pragmatic cooperation—from

the immediate and pressing issues involving public health and vaccine responses to Covid-19 to recurrent, long-term cooperation on maritime issues and cybersecurity. But beyond such pragmatic cooperation for mutual benefit, there is also a need to think more strategically about how this partnership can be harnessed to support a flailing, rule-based, multilateral order.

Over 40 years of EU-ASEAN dialogue partnership have seen increased engagement between the two regional organisations and in particular a growing presence of the EU in Southeast Asia. Elevating this to strategic partnership should therefore see the two partners setting a more ambitious agenda that can contribute to regional and global peace and stability. Hence, it was gratifying to note that in the Co-Chair's statement at the 23rd ASEAN-EU Ministerial Meeting,

where the upgrade to strategic partnership was announced, the EU and ASEAN affirmed the need to work together to uphold respect for the rule of law, sovereignty and territorial integrity of states and the peaceful resolution of disputes. The EU also expressed its support for ASEAN in working with China towards the early conclusion of an effective and substantive Code of Conduct in the South China Sea consistent with international law.

With the Biden administration pursuing an all-out strategy to prevent China from overtaking the US, Sino-US relations are entering a dangerous phase. As the US corrals its Indo-Pacific allies—Australia, India and Japan—to form the Quad (perceived by many as an anti-China alliance), only the EU (which has just released a contour of its Indo-Pacific strategy) aims to be inclusive and work with different partners that can help prevent a bifurcation of the world order.

ASEAN shares the EU's interest in maintaining autonomy and neutrality and not having to be forced to choose between China and the US. The EU's desire to protect its strategic autonomy and sovereignty and ASEAN's interest in maintaining its centrality in the evolving security architecture in its neighbourhood require both to think strategically about how they can complement and support each other. In fact, in a recent survey of Southeast Asians on the geopolitical situation in the region, the EU and Japan were singled out as ASEAN's most favoured and trusted strategic partners in the hedging game against the US-China rivalry.

From Asia-Pacific to Indo-Pacific: What Are the Priorities for the EU-ASEAN Partnership?

In response to the geopolitical turn by the US from Asia-Pacific to Indo-Pacific in its increasing rivalry with China, several EU member countries, such as France, the Netherlands and Germany, have responded with their own Indo-Pacific strategies. ASEAN has also responded with the ASEAN Outlook on the Indo-Pacific (AOIP).

AOIP is premised on the fact that the dynamic regions of the Asia-Pacific and around the Indian Ocean are closely integrated and that ASEAN and its member states can play a central role in connecting the regions. ASEAN takes an open and inclusive

approach towards the Indo-Pacific and sees it as a region of dialogue and cooperation rather than rivalry. ASEAN's outlook on the Indo-Pacific is meant to contribute to the maintenance of peace and promote development and prosperity for all. The AOIP is ASEAN's effort to steer the region away from the growing narrative of strategic competition and to stress common interests for development.

In April 2021, the Council of the EU also reached conclusions for its strategy for cooperation in the Indo-Pacific. This serves as a contour of a comprehensive EU Indo-Pacific strategy to be presented by September 2021. To the extent that the EU strategy on the Indo-Pacific takes an inclusive and broad-based approach similar to ASEAN's AOIP, open to cooperation with all partners, there is much that the EU and ASEAN can do together. The EU-ASEAN strategic partnership thus should move forward by taking into account the principles, interests and priorities set out in both the AOIP and the EU's Indo-Pacific strategy.

Three areas stand out.

First is ocean governance. Both the AOIP and the EU's Indo-Pacific strategy talk about cooperation in the maritime sector, tackling topics ranging from maritime safety, freedom of navigation and anti-piracy to common concerns over marine pollution and sustainable management of marine resources.

Second is strengthening connectivity. In both the ASEAN and EU Indo-Pacific strategies, connectivity is prioritised. Both partners can look into the two different dimensions of connectivity—the hard infrastructural connectivity in areas like transport connectivity and digital connectivity as well as the even more important soft connectivity issues, such as the legal and normative frameworks that underpin our physical connectivity. The recently concluded EU-ASEAN Comprehensive Air Transport Agreement (CATA) is a concrete step towards enhancing connectivity between the two regions.

Third is strengthening regional organisations. Another priority stated in the EU's Indo-Pacific strategy is to strengthen regional organisations. This is particularly important for ASEAN if it is to maintain its centrality in the Indo-Pacific. Any

commitment and support from the EU to strengthen ASEAN and shore up ASEAN's centrality will be a good start to the strategic partnership between the EU and ASEAN.

Energising the Connectivity Agenda in ASEM

While it is important for the EU and ASEAN to consider each other's Indo-Pacific strategies and find common ground, the EU and ASEAN should also re-energise their cooperation in existing platforms, such as the ASEAN Regional Forum (ARF) and the Asia-Europe Meeting (ASEM).

ASEM is a product of close cooperation between the EU and ASEAN. While the initial idea was seeded by Singapore in 1994, ASEM was able to get off the ground rapidly with an inaugural summit in March 1996 due to the EU-ASEAN inter-regional partnership. Since then, the EU has been the most invested member of ASEM. ASEM offers the EU a unique platform to exercise its soft power in connecting Asia and Europe. With ASEM taking

with tangible cooperation being pursued primarily in other inter-regional, minilateral or bilateral settings. A case in point is the launch of the EU-Japan Partnership on Sustainable Connectivity and Quality Infrastructure.

As connectivity strategies and plans proliferate amongst the ASEM member countries, it is important that the ASEM platform serves as more than a repository of information. The EU and ASEAN can take the opportunity to examine the normative differences and different priorities of the strategies and further add value to the connectivity agenda within ASEM by hosting discussions and debates to come up with a set of broad principles that can support sustainable connectivity.

ASEM has long promulgated the idea of issue-based leadership. The EU and ASEAN can leverage their strategic partnership to provide leadership on connectivity and work with other like-minded partners within ASEM to identify needs and priorities for the connectivity agenda. Depoliticising



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on the Connectivity Agenda, it is perhaps time for the EU and ASEAN to work closely with willing ASEM partners to integrate the various connectivity strategies and plans.

Since the discussion on connectivity within ASEM began in earnest following the 10th ASEM summit in 2014, ASEM partners have agreed on a formal definition of connectivity and a joint framework for Tangible Areas of Cooperation in the Field of Connectivity. These connectivity activities take the form of exchange of information and best practices. In accordance with the modus operandi of ASEM and its informal nature, the focus is on dialogue

connectivity as much as possible to return to a more pragmatic focus on specific connectivity projects that can bring about real, sustainable benefits for the peoples of Asia and Europe should be a priority for the EU and ASEAN.

Achieving Trade and Supply Chain Resilience through FTAs

As countries in the Indo-Pacific region continue to battle the scourge of Covid-19, the EU-ASEAN strategic partnership should work on ensuring supply chain resilience for essential goods, including food, personal protective equipment and

vaccines, through trade connectivity and vaccine multilateralism.

The EU and ASEAN are the two most outward-looking trading blocs. Both have benefitted from globalisation and being integrated into the global economy. Anti-globalisation trends that began to surface in the wake of the 2008 global financial crisis have accelerated with the rise of populist parties, further exacerbated by the current Covid-19 pandemic.

How can the EU and ASEAN show that instead of turning inwards, it is economic diversification and more connections and connectivity that will help build resilience? To that effect, the EU and ASEAN should re-start their inter-regional negotiations for an EU-ASEAN free trade agreement (FTA).

A few years ago, following the successful conclusion of the EU's bilateral FTAs with Singapore and Vietnam, there was a genuine interest in reviving the inter-regional EU-ASEAN FTA. However, to date, the enthusiasm seems to have fizzled. The majority of respondents in the 2021 State of Southeast Asia survey believed that an ASEAN-EU FTA would help to expand ASEAN's strategic space. Nevertheless, many are also cognizant that human rights issues are stumbling blocks making it unlikely to happen. With the coup in Myanmar, this is becoming even more difficult.

ASEAN swiftly responded to the coup with a statement calling for a return to normalcy in accordance with the will and interests of the people of Myanmar. As violence continued with no solution in sight, ASEAN convened a summit on 24 April 2021 in Jakarta and invited Myanmar's Commander-in-Chief, Min Aung Hlaing, to attend. A five-point consensus was reached, calling for the immediate cessation of violence in Myanmar and encouraging constructive dialogue among all concerned parties to seek a peaceful solution in the interests of the people. The five-point consensus also included a Special Envoy of the ASEAN Chair to visit Myanmar, meet with all the concerned parties and facilitate mediation of the dialogue process of the different groups with the assistance of the Secretary-General of ASEAN. Finally, with fear of an impending humanitarian crisis developing in Myanmar, the

five-point consensus also states that ASEAN shall provide humanitarian assistance through the ASEAN Humanitarian Assistance Centre.

In dealing with such a complex issue that does not lend itself to easy solutions, it is important that we learn the past lesson of not letting Myanmar become the millstone hanging from the neck of EU-ASEAN relations. Instead, what is needed at this juncture is regular consultation and dialogue between the two strategic partners to find some common ground to support measures that could mitigate the sufferings of the Myanmar people.

In that same spirit of not letting one member state affect the broader EU-ASEAN agenda, the EU should revive dialogue towards an EU-ASEAN FTA (with Myanmar joining only when the political conditions are right) and re-start negotiations towards an FTA. Should a comprehensive, high-quality FTA be difficult to reach at this stage, priority could be placed on concluding a sectoral agreement (such as CATA) on digital trade and e-commerce given the exponential growth and huge potential in these areas.

Conclusion

The EU-ASEAN strategic partnership came at a time of great uncertainty caused by the rivalry between the US and China, pushback against globalisation and technological disruptions, all exacerbated by the Covid-19 pandemic.

It is important that the EU and ASEAN do not let the Sino-US rivalry define their relationship. For the EU, chances are that the US will increase pressure on Europeans to align their positions with China. The EU can capitulate and join the US, ending up as a junior partner and taking the world into a dangerous new Cold War. Or, alternatively, the EU can stand its ground to achieve true strategic autonomy to uphold multilateralism. It has a chance to establish itself as an independent "pole" by seeking to work proactively with other like-minded partners in the Indo-Pacific, and putting real substance into its newly established strategic partnership with ASEAN.

ASEAN countries are also not immune to the pulls of strategic forces from outside the region. With the rise of competing Indo-Pacific strategies advocated

by major powers, ASEAN faces the challenge of maintaining its centrality amidst all these forces. The EU can play an important role in supporting ASEAN's centrality, and together with other middle powers work to shape the regional and global agenda. More importantly, they should work in concert to provide an alternative vision of a more open and networked system of a complex order that can accommodate the diversities and differences of the world population of close to 8 billion people.



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