



Engaging ASEAN: What Next for Canada?

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When Ottawa moved to reinvigorate relations with Southeast Asia in 2012, there was some scepticism whether the full-court press on this neglected sub-region would have staying power. As the flurry of high-level ministerial visits continued through 2013, we should ask how the efficacy of these efforts can be measured beyond the frequency of dialogues, media statements, and declarations? Is Canada moving beyond symbolism to new kinds of relationships with the members of the Association of Southeast Asian Nations (ASEAN)? One way to judge might be to compare and contrast the approaches taken by Australia, New Zealand, and the United States when interacting with this exclusive ten member club.

On 14 October 2013, Foreign Minister John Baird landed in Vientiane, Laos and made diplomatic and personal history. This was the first official visit by a Canadian serving in that office, and with this visit he was able to tick a highly symbolic box: He had now visited every Association of Southeast Asian Nations (ASEAN) country.ⁱ

In the Asian Century, it is a diplomatic truism and an economic mantra that the future of the older and more developed economies is found in this region. In other words, the ten countries of ASEANⁱⁱ have the growth and untapped potential that could drive greater trade across the Pacific.

Canada has not ignored ASEAN in recent decades. It has been a dialogue partner since 1977, but the warm embrace of Southeast Asia is a more recent phenomena. Ottawa did not appoint an ambassador to the organization until 2009, and Canada's representative to ASEAN is currently filled concurrently by the Ambassador to Indonesia and Timor-Leste; it is, tellingly, a part-time job.

A year after nominating this envoy, Canada acceded to the Treaty of Amity and Cooperation (TAC) in Southeast Asia. The TAC, which is sometimes called ASEAN's peace treaty, is a grand sounding document that is a formality imposed on all those wanting closer ties with the grouping. Signing it is a very modest and low-risk diplomatic move, even for members of ASEAN. Ottawa also has also been given the requisite collection of wordy documents that define in diplomatic prose the Canada-ASEAN relationship. For example, there is the 2009 Joint Declaration on ASEAN-Canada Enhanced Partnershipⁱⁱⁱ, the 2010 ASEAN-Canada Plan of Action^{iv}, and the 2011 Trade and Investment Framework^v. In 2012, the government supported the creation of the industry-led Canada-ASEAN Business Council, which held its first business forum in Singapore in October 2013.^{vi}

The question is whether the blitz of high-level diplomacy represents a coherent, longer-term, Asia agenda for Canada.^{vii} One way to measure this is to compare Canada's engagement with Southeast Asia with that of its peers. While Ottawa has moved to build a web of ties, Washington, Canberra,

and Wellington have moved more quickly to redefine their relationships with this dynamic part of the world, including ASEAN. The United States has “rebalanced,”^{viii} Australia has embraced “The Asian Century,”^{ix} and New Zealand has a strategy for “ASEAN Partnership: One Pathway to Ten Nations.”^x

There are some things these four kindred nations have in common when they look to Asia. While the world waits for a successful conclusion of the Doha Round of WTO negotiations, these Anglophone cousins are seated around the negotiating table for the U.S.-led Trans-Pacific Partnership (TPP), a regional trade and investment agreement that aims to “promote innovation, economic growth and development, and support the creation and retention of jobs.”^{xi} This grouping brings together twelve nations, including four from Southeast Asia - Brunei Darussalam, Malaysia, Singapore, and Vietnam.^{xii} As talks inch forward, Canada and the others see strength in economic unity. It has been estimated that their combined economies represent more than 38 per cent of the global economy, a market of more than 792 million people with a GDP of \$27.5 trillion.^{xiii}

But there are also important differences. An ASEAN-Australia-New Zealand Free Trade Agreement entered into force on January 1, 2010. Canberra’s and Wellington’s trade diplomacy continue to try to reach full implementation of this deal. When the trade agreement came into effect, only 67 per cent of Australia’s exports to the region were tariff-free. If fully implemented it is estimated the deal would give 96 per cent of Australia’s exports tariff-free access to ASEAN by 2020.^{xiv} For New Zealand, the figure would be even higher, estimated at 99 per cent.^{xv} In contrast, the only FTA the U.S. has with a Southeast Asian partner is its decade-old agreement with Singapore.^{xvi}

Canada has completed nine free-trade agreements since 2006, but only one with an Asian country – the March 2014 FTA with South Korea.^{xvii} To their credit, government trade negotiators have been busy elsewhere, concluding Canada’s biggest trade deal with the European Union, representing more than 500 million consumers and a GDP of C\$17 trillion (US\$15.3 trillion).^{xviii} This December 2013 agreement puts Southeast Asia in perspective and somewhat justifies Canada making Asia a lower priority. Australia and New Zealand’s free-trade deal with ASEAN was estimated to connect their economies with the region’s more than 640 million people, but the combined GDP of these ten countries in 2012 was estimated at only US\$4 trillion.^{xix}

But one way in which Canada is out of step with Australia, New Zealand, and the U.S. is in increasing engagement with ASEAN *the institution* as well as with its individual members. Canada remains diplomatically under-represented in Southeast Asia. For example, when Myanmar opened up starting in 2011, Canada played catch-up and announced it would establish a new embassy there.^{xx} For now, the ambassador is co-located with the UK ambassador, and Canada will not have its own embassy for a few months. Even when it does, the mission is planning to have only three substantial staff, including a trade commissioner and a development office. Canada’s affairs in Cambodia and Lao PDR are handled from adjacent countries and consular matters are handled in-country by Australia.^{xxi} In terms of protocol, if not substance, it is the ASEAN way that Lao PDR, with its 6.5 million people, expects equal treatment to Indonesia, with its 250 million. ASEAN members also want to see a long-term commitment from its partners, and diplomatic representation is one measure of this.

Washington’s rebalancing, which is often portrayed as a military pivot, also included the establishment in 2010 of a US-ASEAN mission with its own resident ambassador in Jakarta, making

the U.S. the first non-ASEAN country to establish a dedicated mission to the organization in Jakarta.^{xxii} In 2012, Tokyo,^{xxiii} Beijing,^{xxiv} and Seoul^{xxv} followed suit. Australia, which had foreshadowed a similar move in its October 2012 “Australia in the Asian Century” white paper, had a resident ambassador in place a year later.^{xxvi} New Zealand too wants to upgrade its footprint and increase its capacity to conduct advocacy within the corridors of the ASEAN Secretariat and through the hundreds of meetings it organized each year. Wellington’s strategy paper explicitly states this, in addition to support for strong government leadership from prime ministerial, ministerial, and trade delegations. It has publicly committed to sending a separate ambassador to sit in an office adjacent to its envoy to Indonesia.^{xxvii} Diplomatic sources say the office, chair and desk are ready and waiting to be filled.

U.S. Mission to ASEAN

Unsurprisingly, the U.S. has led the way and has done much more than send an envoy and set up a website and Twitter account. Its mission’s web site lists eleven substantive staff, including the ambassador, a deputy, three economics officers, two public affairs staff as well as a military and science advisor. The office has its own political and USAID staff.^{xxviii} This mission is the fulcrum to lever all kinds of power. In February 2014, the Commander of U.S. Pacific Command Admiral Samuel Locklear paid a visit to the ASEAN Secretariat to discuss cooperation on humanitarian and disaster relief.^{xxix} In addition to State Department staff, USAID has an international contractor staffing an office that focuses on public diplomacy and that is to be headed by a retired U.S. ambassador to amplify its ability to project its soft power.^{xxx} But there is no low hanging fruit here. As the U.S. has found with the East Asia Summit, this is a competitive and fast changing environment that demands multi-dimensional engagement.

Australia-ASEAN: Marking 40 Years

In February 2014, Australia started a series of events to highlight its 40-year relationship with the region, beginning notably with Australian-ASEAN Business Forum. What these events show is that although the newly elected Abbott government very publicly ditched the previous government’s Asian Century white paper, the shift is more rhetorical, and possibly more tactical, than strategic.^{xxxi} The ASEAN market remains a magnet whose attraction cannot be resisted, especially when the incoming government committed not only to stronger relations with Australia’s neighbours, but also to “ensure that Australia’s economic – as well as political and strategic – interests guide the operations of the Department of Foreign Affairs and Trade”.^{xxxii}

In launching the year of economic, political, and public diplomacy events in a ceremony in Manila with current coordinator partner, the Philippines, Australian Foreign Minister Julie Bishop, was flanked by Trade and Investment Minister Andrew Robb. The ASEAN Secretary-General Le Luong Minh was present and his planned visit to Australia in March is listed as part of this celebration. Australia’s interests in ASEAN had broadened over four decades and Bishop listed them in a very deliberate order as trade, investment, education, development assistance, and disaster relief. The mantra of ASEAN’s economy, including more than 600 million people and 2.4 trillion dollars in GDP, was repeated, but viewing the region through this lens is not unwelcome in the region. Minh talked up two goals: the goal of an ASEAN Community by 2015,^{xxxiii} and the goal of deepening Australia’s engagement. Her counterpart, Secretary Albert Del Rosario, hoped Australia’s free-trade agreement with the grouping would boost the growth of small and medium enterprises (SMEs) in the

Philippines as part of its quest for sustainable economic development.^{xxxiv} To try to make this a reality, there is much work to be done. One of the many small steps along this road will be an Australia-ASEAN connectivity workshop that is planned for Singapore in June.^{xxxv}

New Zealand and the “ASEAN Partnership”

For New Zealand, the buzzwords are visibility and connectivity. With its “ASEAN Partnership” document it articulates a strategy for how to move its relationship with ten nations to the next level, beyond the usual round robin of annual meetings and dialogues, with increased trade and investment the payoff. Wellington believes it is well placed to do so because of its free trade agreement, shared history, and proximity to the region. It sees the steps that need to be taken as building political relationships, deepening trading relationships, and finding niche areas where its expertise is world class, such as geo-thermal energy. Better connections can be built in the short to long term through boosting air links or educating a generation of decision makers.^{xxxvi} More integration will lead to higher levels of investment, tourism, and trade. It is a telling data point that Singapore Airlines is now flying its flagship A380-800 aircraft to Auckland.^{xxxvii}

Wellington is not simply an outsider, dazzled by the fortunes to be made in this market; rather, it sees the country’s destiny as having been bound to the region ever since it lost privileged access to the UK market in the early 1970s. It explicitly states that high-level visits and more diplomats on the ground are needed as ASEAN struggles towards its own integrated economic community by 2015.^{xxxviii} New Zealand wants to get the most out of its FTA with ASEAN and to build air links, two objectives that are typically heavy on diplomacy and negotiation.

New Zealand sees its soft power coming from its support for the independence of the ASEAN countries decades ago, its solidarity in the face of natural disasters, and its role as classroom for ASEAN leaders dating back to the Colombo Plan scholarships of the 1950s. Today it sees itself as a key destination for students from ASEAN countries, a place for its middle class to visit, and a destination for its exports.

What Next for Canada?

Canada is not off track in its pursuit of ASEAN, but when comparing its efforts to those of its peers, it just seems to be trailing behind its natural cohort in terms of diplomatic strategy and practice. There are innovations, such as engaging in more on-the-ground diplomacy with ASEAN, and old tricks, such as bilateral or region-wide FTAs, for which a more active and long-term investment in the institutional support might bear fruit. A business council is not a substitute for a free trade agreement and a higher of ministerial visits each requires in-region preparation and follow-through. Weaker connectivity, including fewer flights from Canada to ASEAN countries, does impact promotional activity, business, tourism, and education. As an English speaking advanced economy located outside Asia, Canada competes in ASEAN against its CANZUS counterparts, and its relationship with the organization is judged in comparison with theirs. The question should be: Is Canada visible in Southeast Asia?

More visibility means more resources at a time when the Canadian foreign service is operating on a much tighter budget. Is ASEAN worth the investment? In November 2012, the outgoing Secretary-General Dr. Surin Pitsuwan made the case in his underreported final speech that the ASEAN

Secretariat had to be empowered with more capacity to deal with policy and to lead reform. It was a public concession that for five years he had presided over an institution kept on a very short leash by those who created it. He warned that there would be greater expectations as more partners appointed dedicated ambassadors, and that they would demand more decisions from the secretariat's thinly spread and overstretched staff. Quoting then U.S. Secretary of State Hillary Rodham Clinton, he said she told him: "We want to discuss policy with you here."^{xxxix}

It was a plea that underlined the perennial problem with ASEAN: its members actually want it to be a weak institution. Creating a "supra-national authority" that would require decision making to shift from national capitals to a regional bureaucracy is not an attractive option for any member state, but some observers believe that the push for deep regional integration will require the institution to reform itself beyond 2015 and the realisation of its economic community.^{xl}

ASEAN is feeling the pressure of being an arena of competitive big-power diplomacy, especially on issues such as the South China Sea. It is trying, but not doing so well, for example, at playing some sort of conflict resolution role in its own region.^{xli} As more capitals see ASEAN as the place to do business and diplomacy, a higher level of performance will be required from the secretariat as well as from member states who take turns each year chairing the organization. This rotating chairmanship provides opportunities for partner countries to help strengthen this dynamic set of fora and institutions. As it becomes an organization with dual security and economic focal points - through its role coordinating the East Asia Summit and the ASEAN Economic Community - it is not clear whether the diplomatic and political architecture of the region can bear this weight.

For those now increasing their diplomatic investments in ASEAN there will be only serendipitous returns in the short term; it is a long game. They are hedging their bets that in the future ASEAN will reach its full potential, both economically and politically", economically *and* politically. If Canada believes that future global growth will come from this region then it should follow its peers and raise the level of its political and diplomatic engagement. It comes with high costs given the current thin diplomatic presence but is also low-risk. The possibility that there will be little to no immediate return on this political/diplomatic investment could result in inertia. Governments, which are freed from the shackles of shareholders demanding annual profits, must play the role of thinking beyond the lifespan of the next AGM or term in office. But with the next elections in Canada about eighteen months away this may constrain any big plans.

While frequent tepid encounters with ASEAN make it easy to be cynical and write ASEAN off as not a serious regional grouping, the form-over-substance nature of diplomacy in Southeast Asia does require those wanting to engage to show up. This is the price of membership in this increasingly prosperous club. Is Canada's permanent and on-the-ground presence being missed? Is it losing ground to its friends, some of whom are also competitors? Maybe ASEAN diplomats will be too polite to say so to the minister's face. But with the increased tempo of engagement, Canada's absence *is* being noted.

ⁱ John Baird, "Deepening Canadian Partnerships with ASEAN", *Vancouver Sun Online*, 11 October 2013 at <http://www.international.gc.ca/media/aff/news-communiqués/2013/10/12a.aspx?lang=eng>.

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- ^{xiii} “Trans-Pacific Partnership Negotiations Continue in Washington, D.C., News Release, Foreign Affairs, Trade and Development Canada, 19 September 2013 at <http://www.international.gc.ca/media/comm/news-communiqués/2013/09/19a.aspx?lang=eng>
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