



Master thesis submitted in partial fulfillment of the requirements
for the diploma Master of Science in Politieke wetenschappen

Training a Toothless Tiger. An impact-assessment of EU bi-regional integration support to ASEAN.

Joris RAMM

0535829

Academic year 2016-2017

Promotor: Jonathan HOLSLAG

Jury: Florian TRAUNER, Astrid PEpermans

Economic & Social Sciences & Solvay Business School

Training a Toothless Tiger

An impact-assessment of EU bi-regional integration support to ASEAN



Student: Joris Ramm
Student No. 0535829
Promotor: Jonathan Holslag
Number of words: 14.019
(Excl. Bibliography and Appendix)

Content

I.	List of Abbreviations	p. 3
II.	Introduction	p. 4 - 5
III.	Methodology	p. 6 - 9
IV.	The EU <i>project</i>	p. 9 - 11
V.	The EU-ASEAN <i>product</i>	p. 11 - 12
VI.	Analysis: the <i>process</i>	
	a. Market integration	p. 12 - 15
	b. Policy integration	p. 16 - 20
	c. Market access	p. 20 - 25
VII.	Conclusion	p. 26 - 29
VIII.	Bibliography	p. 29 - 35
IX.	Appendix	p. 35 - 44

Abstract

This thesis demonstrates that bi-regional EU integration support towards ASEAN is only partly effective. The EU assistance in the current bi-regional agreement, the *Bandar Seri Begawan Plan of Action 2013-2017*, has limited impact on the ASEAN integration project. Comparison of the two EU aims (input) to the policy of ASEAN most-likely cases Indonesia and Vietnam (output) exposes a divergence over the period 2010-2015. First, market integration - especially intraregional trade - is not developing according to the EU aims. The level of Non-Tariff Measures is growing, hampering trade integration. Investment remains limited. Second, market accessibility is slightly better, but also deviates from the EU aims. Although the assistance programmes in the bi-regional agreement are promising, nations selectively follow integration proposals. The bi-lateral FTA strategy works well for Vietnam, but will probably fail for Indonesia. Therewith, domestic preferences largely determine the impact and the workability of regional integration support. Vietnam generally follows EU directives and actually opens up towards the region and the world. Indonesia, on the contrary, shields its markets. Thus, these most-likely cases show that the EU role of a builder of regions is questionable. The EU can assist regional integration elsewhere, but should enhance its strategy to do so. Through well-adapted, well-substantiated and locally accepted support, the EU can counsel an adept ASEAN, instead of train a toothless tiger.

I. List of Abbreviations

AEC	-	ASEAN Economic Community
AFTA	-	ASEAN Free Trade Area
ARISE	-	ASEAN Regional Integration Support from the EU
ASEAN	-	Association of Southeast Asian Nations
ASEC	-	ASEAN Secretariat
BS	-	Bandar Seri Begawan Plan of Action
CEPA	-	Comprehensive Economic Partnership Agreement
CLMV	-	Cambodia, Lao, Myanmar and Vietnam
EC	-	European Commission
EEAS	-	European External Action Service
EU	-	European Union
EVFTA	-	EU-Vietnam Free Trade Agreement
FDI	-	Foreign Direct Investment
FTA	-	Free Trade Agreement
GDP	-	Gross Domestic Product
GFC	-	Global Financial Crisis
MNC	-	Multinational Corporation
NGO	-	Non-Governmental Organisation
NTB	-	Non-Trade Barrier
NTM	-	Non-Tariff Measure
PCA	-	Partnership and Cooperation Agreement
RCEP	-	Regional Comprehensive Economic Partnership
RIS	-	Regional Integration Support
SOE	-	State-Owned Enterprise
SPS	-	Sanitary and Phyto-sanitary Measures
TBT	-	Technical Barrier to Trade
TREATI	-	Trans-Regional EU ASEAN Trade Initiative
UNCTAD	-	United Nations Conference on Trade and Development
US	-	United States

II. Introduction

‘Will Europe still be able to conclude trade deals and shape economic, social and environmental standards for the world? (...) Or will Europe disappear from the international scene and leave it to others to shape the world?’

Jean-Claude Juncker, President of the EC, evaluates the EU in his *State of the Union 2016* (Juncker, 2016: p. 7).¹ In turbulent times, he encourages the EU to close its ranks and enforce its international influence. His diplomatic apparatus prioritizes bi-regional cooperation with ‘strategic partners’ to strengthen this rickety EU stance (EEAS, 2016: p. 38). A traditional strategy, as the EU cooperates with other regional blocs for decades (Smith, 2003). Moreover, the EU effortlessly assists the development of regional integration projects elsewhere. Regional integration support (RIS) is the main EU policy to do so (Jetschke, 2013). Hundreds of EU representations, programmes and action plans support integration initiatives globally. An admirable effort, but is this EU RIS effective?²

This thesis studies the effectivity of EU RIS, focussed on the Association of South East Asian Nations (ASEAN).³ I define regional integration broadly as ‘the process and products of region building’, to enable comparison (Murray and Warleigh-Lack, 2013: p. 111). The long-lasting EU-ASEAN relation is a showpiece of bi-regional cooperation, illustrated by extensive trade and investment flows (EC, 2017 and Camroux, 2008). Last summer, the EU even increased its efforts: up to 2020, Brussels pledged €170 million to support ASEAN integration (EEAS, 2016a). As ASEAN is a vast region, I focus on two most-likely cases: Indonesia and Vietnam.⁴ Whereas Indonesia is a well-established hegemon with the biggest Gross Domestic Product (GDP) and population, Vietnam is a progressive and fast-growing economy with increasing ties to the EU. Both nations comply with the requirements to pioneer integration (Mattli, 1999). Therewith, these nations are crucial-cases: if they do not follow the EU directives, no country will (Gerring, 2008).

Following an earlier EU-policy impact-analysis, I compare the EU aims for RIS (input) with the policies of Vietnam and Indonesia (output). The extent to which these ‘inputs, outputs and (...) second layer types of objectives or outcomes’ match, determines the effectivity of EU RIS (St. Aubyn, Pina, Garcia and Pais, 2009: 11). My analysis follows Morgan’s three phases of regional integration. This conceptual model distinguishes the vision (*project*), agreement (*product*) and actual policy (*process*) of regional integration (Murray and Warleigh-lack, 2013: p. 113).

¹ I use abbreviations to enhance readability. In the bibliography, I use the full designation. The list of recurring abbreviations provides more information.

² This thesis builds upon different working papers and preparatory works, included in my bibliography. Therewith, I avoid continuous self-referencing to enhance readability.

³ ASEAN consists of Brunei Darussalam, Cambodia, Indonesia, Lao, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

⁴ Due to a limited number of words, I use the Western spelling (‘Vietnam’) and shortened country names.

The motives and directives of EU RIS form the *project*. The *product* is the current common agreement, the *Bandar Seri Begawan Plan of Action to Strengthen the EU-ASEAN Enhanced Partnership 2013-2017* (hereafter: BS) (EEAS, 2013a). Finally, I compare the EU directives to the Vietnamese and Indonesian policy, the *process*. My research period (2010-2015) is slightly different from the BS-period, for more profound analysis and excellent data availability. Therewith, my research question is:

‘Is the EU support of regional economic integration towards ASEAN effective over the period 2010-2015, concerning the policy implementation of Indonesia and Vietnam in comparison to the EU aims and the directives in the common BS?’

The EU does not academically evaluate its policy itself. The study of the impact of RIS on developing nations in external regional blocs – like Indonesia and Vietnam – is particularly unexamined (George, Iwanow and Kirkpatrick, 2013). This thesis thus answers a practice-based question (Boeije, Hox and Hart, 2009). Furthermore, my ‘multi-method’ approach and adapted conceptual model form an additional instrument to comparative regional integration studies (Fearon and Laitin, 2008: p. 757). This combination of quantitative and qualitative methodology provides new insight in the impact and effectivity of EU policy. Therewith, this thesis forms an addition to the ‘second layer’ discussion on EU international influence (St Aubyn et al., 2009: p. 11). My results will enhance the debate upon the EU external position: the EU as a ‘builder’ of regions (Lombaerde and Schulz, 2009: p. 1). Finally, this thesis points out several hiatus in the current bi-regional approach to ASEAN. Since the ‘natural partners’ will renegotiate their BS in November, I conclude with policy recommendations for the successive agreement (EEAS, 2013a: p. 1).

This thesis combines qualitative and quantitative methods, which allow me to analyse regional trends and the reasons for these developments. Whereas my quantitative variables and analysis demonstrate *if* the ASEAN nations integrate economically and follow European directives, my qualitative data and analysis explain *why* they do or do not. This multi-method approach adds an explanatory narrative on the impact of EU policy (Fearon and Laitin, 2008). I will elaborate on this in the next chapter.

Chapter III explains my data selection and analysis. Chapter IV outlines the *project*. The EU strives for open market access and further regional integration. It relies on a bi-regional approach, which resembles the *product*, the BS. Chapter V analyses this *product*. The BS provides directives for market and regional integration and their subsequent indicators, as portrayed in *Table 1*.⁵ Chapter VI describes the *process*: the policies of ASEAN, Indonesia and Vietnam. ASEAN as a whole reluctantly follows the EU. Indonesian policy, on the contrary, deviates. Vietnam generally follows the EU directives. In Chapter VII, I therefore conclude that EU RIS towards ASEAN is only partly effective. Finally, I end with recommendations to enhance RIS in the future.

⁵ To enhance readability, I placed matrixes, tables and graphs in the Appendix.

III. Methodology

This chapter substantiates the background, cases and methodology of this thesis. First, I explain my hypothesis and justify my cases. Then, I shortly address my conceptual model. Subsequently, I address my quantitative data and methodology. Finally, I outline my qualitative analysis and interviews.

The common debate upon regionalism, defined by Nye as 'the formation of interstate associations or groupings on the basis of regions', discusses intraregional integration (Nye, 1968, p. vii). I move beyond that, researching RIS towards another region. Building on the self-acclaimed region-building role of the EU, I hypothesize that ASEAN states integrate regionally due to this EU support (Telò, 2007). This far-fetched hypothesis enables me to examine the connection of EU RIS and ASEAN national policies. I strive to falsify this hypothesis, and do not expect this RIS to have impact in practice. In my opinion, academics righteously question the effectivity of RIS and the 'makability of regions' (Lombaerde and Schulz, 2009).

My research focuses on ASEAN. Building on my hypothesis, I assume that this ASEAN-population strives to integrate, following EU directives (Gerring, 2008). The focus on ASEAN is based on academic research. Academics underline that ASEAN is the next best-integrated regional entity in the world, following the EU model (Smith, 2003). Although ASEAN policy makers expound this European vision, academics convincingly showed that ASEAN 'mimics' the EU model (Langenhove, 2011). Besides, the BS is a luminary of bi-regional cooperation, enlarging the EU impact (see Chapter III). These academic expectations make ASEAN a most-likely case for successful RIS (Camroux, 2008).

In comprehensive ASEAN, I selected two crucial cases on their position within the larger population: Indonesia and Vietnam (Gerring, 2008). I well considered (non-randomly) chose these nations, based on a specific condition for comparison: they meet the requirements to drive regional integration (Rihoux, 2008). These requirements are twofold. Both cases are large economies, eying economic development through (regional) expansion. Therewith, they meet the *demand-side conditions*, recognizing the economic value of integration (Mattli, 1999, p. 46). Besides, the recent negotiations on an EU Free Trade Agreement (FTA) and the repeated message of ASEAN support underline the political willingness to integrate. Indonesia and Vietnam therefore also meet the *supply-side conditions* for regional integration (Mattli, 1999: p. 50). Indonesia and Vietnam thus theoretically follow the 'logic' of regional integration (Mattli, 1999). Finally, the strong economic connection between the EU and both countries considering trade and (former) development assistance incites willingness to follow the EU propositions (Manea, 2013). Again, I do not expect this theoretical assumption to stand in practice. Thus, my most-likely cases indicate that if Indonesia and Vietnam do not follow the EU directives, no country will. Therewith, this case selection allows generalization on the effective of RIS (Gerring, 2008).

Naturally, the divergence of political, geographical and other country-specific circumstances influence the comparability and *process* of my cases. However, this is part of the 'degree of crucialness': cases are far from analogous in the real world (Gerring, 2008: p. 663). Furthermore, I acknowledge that policy impact is hard to measure. However, following an

academically tested definition, my creative conceptual model and multi-method approach effectively address the EU impact on regional integration in ASEAN.

This analysis follows *Matrix 1*. I start with the EU aims (input). The EU eyes market integration and market access (Chapter IV). This first aim is complex. From earlier research on ASEAN economic integration, I extracted variables of regional market integration (Capanelli, Lee and Petri, 2009 and Bo and Woo, 2009). Capanelli *cum suis* divide regional market integration into two elements: market integration and regional policy integration. Since the latter guides the first, both are required for market integration (Capanelli et al., 2009). *Matrix 1* clarifies this framework of EU aims, variables and indicators. This matrix forms my guideline to analyse the resemblance of the *project* and the *process* systematically. Since the data availability for 2016 was insufficient, I adapted my research period to 2010-2015. Therewith, I can also outline the development over time: with and without the cooperation in the BS. That further exposes the role of the EU in the *process*.

For the quantitative analysis, I used variable-based models of change to describe the development of my cases over continuous time (Tuma, 2004: p. 310). To clarify these models, I constructed graphs that demonstrate the development over my research period (*Graph 1-9*). For the construction of these graphs on market integration (*Graph 1-7*), I used data from the databases of the United Nations Conference on Trade and Development (UNCTAD), the World Bank and ASEAN. This panel data is independent, trustworthy and widely used in academic economic research (Petersen, 2004). Furthermore, I extracted information from CEIC (a Singaporean investment bank) for the graphs upon intra-ASEAN investment. These numbers were not available in the ASEAN databank. The improved statistical availability of ASEAN-data is actually a BS directive (EEAS, 2013). For policy integration, I used additive sources. I measured the tariffs and Non-Tariff Measures (NTMs) quantitatively, based on the website of the NGO *Global Trade Alert* and a comprehensive report from the Economic Research Institute for ASEAN and East Asia. A welcome addition, as reliable information on NTMs is scarce. Subsequently, the ASEAN Regional Integration Centre registers the FTA development of the region. With this data, I portrayed the status of tariffs, NTMs and FTAs at the end of my research period (*Table 2, 3 and 4*). Finally, for market access I additively used the EU Market Access Database, which has specific data upon EU inward and outward accessibility (EC, 2017a).

Qualitative academic and policy papers enabled me to understand the meaning of the development of these quantitative models (Tuma, 2004). These include the regional *Asian Development Outlook*, the *ASEAN Investment Report* and a variety of opinion articles. Besides, I used communiques of the concerned institutions and governments. I analysed their content thematically. I extracted dominant themes and insights from these papers, based on a coding scheme categorized after my ten variables and their indicators (Franzosi, 2004). For example, I searched for 'FTAs in Vietnam', to extract relevant information upon the Vietnamese policy and position.

The mentioned quantitative and qualitative data demonstrate and explain the changes on the ten variable models (Tuma, 2004). Still, this does insufficiently highlight the role of the EU, as many factors influence the integration *process*. To examine the role of the EU and the reasons

behind the policy choices of Indonesia and Vietnam, I added an extra qualitative method of data collection. Besides the qualitative sources above, I interviewed related agents to expose the true influence of EU directions and domestic policies on integration. This adds a narrative causality on the true role and impact of EU policy in practice (Fearon and Laitin, 2008).

My interviewees are part of one target group: the political and economic elites of ASEAN-EU cooperation, especially Indonesia and Vietnam. I conducted elite interviews: my interlocutors are experts on the topic, giving insight in the decision-making processes of EU RIS (Burnham, Gilland, Grant and Layton-Henry, 2004). Within this target group, I approached the topic from as many angles as possible. Since many interlocutors were hard to reach, I sent several contact requests. While working, I built my network through a snowball-sample. Starting from EU institutions and the concerning Embassies in Brussels, my interlocutors guided me to new people and publications. Finally, I interviewed 40 persons. With a population bigger than N=30, I structured these in different groups. *Table 5* underlines my different professional and geographic angles to substantiate my narratives (Boeije et al., 2009).

These interviews reveal the true reasons behind the *process*. First, they counter 'naive rationalism': the idea that political actors view the world objectively and respond to stimuli in the same way (Rathbun, 2008: p. 686). Interviews highlight the perception, motivations and preferences of the social actors in question (Rathbun, 2008). I created a narrative of the ASEAN-EU cooperation based on this insider information. That excels simply outlining the quantitative trends. Second, as the EU-perception of the ASEAN interviewees was of particular importance, I embedded this in my conversations. At the end of every interview, I asked my interlocutor to grade the EU-ASEAN cooperation in the BS on a scale from 1-10 (1 being very bad, 10 very good). Unfortunately, this quantification attempt was not welcomed by everyone. Based on only 23 sources, this number is unreliable (Boeije et al., 2009). Still, the quantification adds interesting insights to my research (see Chapter VI c). I only portrayed the group averages to protect the anonymity of my sources (*Table 5*). Finally, interviews 'add a little colour to an otherwise stiff account', both during the research and for the final thesis (Rathbun, 2008: p. 685).

My interviews were semi-structured. I prepared some questions (and concluded with the quantitative inquiry), but guided the interview towards the interests and experience of the interviewee to avoid irrelevance. As a preparation, I therefore briefly researched the 'context' of the interlocutor (Leech, 2002). These interviews have been off-the-record. Diplomats, high-ranking policy makers are not very talkative, especially considering cooperation with other regions. The publication of their personal opinions might harm the rickety process of international cooperation. Therefore, an interview following the 'Chatham House Rules' was obliged to have a chat. For references, I use *Table 6*, mentioning the interviewee number. That gives a description of my source, whilst still protecting its real identity as prescribed. The interviews lasted between twenty minutes and two hours, depending on the agenda of the interlocutor. Although I interviewed the majority in person and on location, I talked to some over Skype or phone due to time constraints (*Table 6*).

After the talk, I transcribed the interviews as soon as possible. Due to Chatham House Rules, I am not allowed to share these. I used a framework-approach to transcribe the interviews and extract a balanced narrative upon the EU role in ASEAN regional integration (Ritchie, Spencer and 'O Connor, 2003). This gives insight in the behaviour of policy-makers, by creating a thematic framework that bounds the choice and context of these agents (Ritchie and Spencer, 1994). I created this narrative by deviating recurring themes in the conversations, for example 'a lack of competitiveness as an argument for Indonesian market-protection'. Through this thematic analysis, I built a narrative underlined by both quantitative data and qualitative information and arguments (Ritchie et al., 2003). In the end, my multi-method analysis enables analytic induction to derive a causal pattern from the two crucial cases (Lee and Fielding, 2004). Therewith, my cases herald whether the EU support towards ASEAN as a whole is effective. The next chapter will first explain the first stage: EU RIS.

IV. The EU project

This chapter discusses the motives and aims of RIS. First, I describe the overall origin and motives of RIS. Then, I move to the aims for ASEAN RIS. Finally, I outline the specific EU connection with my research cases and demonstrate that the EU interest in Indonesia and Vietnam follows the ASEAN aims.

The recent EUGS prioritizes 'cooperative regional orders' as one of five pillars of EU foreign policy (EEAS, 2016: p. 32). This emphasis is far from new. Following its 'domestic analogy', the EU prefers collaboration with like-minded partners (Smith, 2002: p. 14). Moreover, Brussels assists integration elsewhere. Proud of its heritage of peace and welfare, the EU promotes integration for decades. Therewith, RIS underlies EU foreign policy (Smith, 2002 and Camroux, 2008). RIS strives to assist external integration processes in three ways: direct support, FTAs and bi-regional cooperation. I focus on the latter, as it also encompasses direct (financial) support and FTAs. That makes it the most comprehensive form of RIS (Jetschke, 2013). Moreover, it is an ingenious manner to compel integration. The other region will need *a priori* synchronization to match the joint EU-policy in negotiations. Through bi-regional collaboration, the EU thus promotes both inter-regional and intra-regional cooperation (Smith, 2002).

The EU motives to sponsor and support regional integration are twofold. The first motive is normative. The EU indeed strives to 'shape the world' to its equation (Juncker, 2016: p. 7). This normative influence encompasses a wide framework of ideas, from human rights to liberal market economics. Through RIS, the EU tries to create a rule-based international environment, based on its own standards (Smith, 2003). The second motive is less idealistic: the EU expects to prosper from interregional cooperation. Based on liberal market economics, all parties are expected to gain from cooperation and trade when following the same rules (Kubo, 2013). Trade is important and this support strengthens (prospective) trade connections. These regional integration projects elsewhere are therefore conceived a 'fundamental rationale' for the EU, easing the EU position and policies (EEAS, 2016: p. 10).

The EU targets different policy areas per region, based on potential and level of development (Jetschke, 2013). The *Guidelines on the EU's Foreign and Security Policy in East Asia* (2003) set out the main EU interests and priorities in East Asia, including ASEAN.

The EU activities in the wider region mainly serve economic interests. Even the security policies strive to stabilize the nations, again to support EU trade relations (EU Council, 2012). The 2015 EC Joint Communication underlines this economic importance for ASEAN specific. The EU assists the prospective consumer market on integration and development (EC, 2015). This results in two main aims for EU RIS (Ramm, 2016 and 2017):

1. Enhance market integration. The EU pushes market integration with region-to-region cooperation. Although ASEAN develops in a different manner, deeper market integration will benefit the economic interests of both ASEAN and its partners (ASEAN, 2015). If both blocs enhance their internal trade, a deepened connection between the two will also become more profitable. Further market integration in turn also strengthens the second and most important goal of EU RIS.
2. Stabilize market access. The EC uses RIS to secure open trade relations with ASEAN, as it does with the rest of the world (*Table 6: 9 and 23*). EU prosperity is 'directly connected' to stable ASEAN market accessibility (EEAS, 2016: p. 37). As competition on Southeast Asian markets is fierce, the EU tries to expand and secure its foothold in the ASEAN region by supporting integration and development. A bi-regional FTA would enhance this cooperation, but earlier negotiations failed. The EU therefore focusses on bilateral FTAs leading to an overall FTA (EC, 2015). Thus, RIS forms an insurance policy for EU market access in the region (George et al., 2013).

The ASEAN aims resemble in the EU ideas and goals towards my research cases. The Indonesian-EU connection started with development cooperation. Development is still an important pillar of EU assistance to Indonesia: Brussels provided over €350 million of development aid over my research period (EEAS, 2016b). However, the EU nowadays moves beyond that traditional connection. Its size, GDP and population make Indonesia a valuable trade partner. In 2009, former EU-president Barroso and former Indonesian-president Yudoyono set-up the Vision Group; a common think-tank to deepen the cooperation. Their *Vision Group Report* (2011) underlines the need for further Indonesian integration into ASEAN markets. Beyond traditional commodity trade, Indonesia should broaden its intra-regional trade and increase investment (EEAS, 2011). Furthermore, the document emphasizes the need for lower tariffs and NTMs to guarantee market access for its regional and European partners (EEAS, 2011). With the Partnership and Cooperation Agreement of May 2014 (PCA), the EU-Indonesian partnership moved to full cooperation on security, economic, and political matters (EEAS, 2016b). Indonesia was the first ASEAN-nation to conclude a PCA with the EU. Now, the EU and Indonesia are even negotiating a Comprehensive Economic Partnership Agreement (CEPA), strengthening market access. Therewith, the interests in Indonesia follow the ASEAN aims: the EU eyes market integration and market access.

The EU-Vietnamese connection developed similarly. After decades of development cooperation, the EU established a representation in Hanoi in 1996. A diplomatic step in the right direction, but only the recent PCA (2012) concretised cooperation. This PCA served as a stepping-stone towards the now concluded (but not yet implemented) EU-Vietnam FTA (EVFTA) (EEAS, 2017). For Vietnam, two reports outline the EU priorities and interests over my research period. The older *Vietnam European Community Strategy Paper 2007-2013* mainly supported socio-economic development. The EU encouraged reforms of the Vietnamese regulatory process in bureaucracy and the health sector. Further, it focused on widening access into the banking system and State-Owned Enterprises (SOEs) (European Community, 2006). The successive *Multiannual Indicative Programme for Vietnam 2014-2020* aims more specifically at the opening up of the Vietnamese market. Within Vietnam, it focuses on the process of *equitisation*, enlarging the permissible stock sale of SOEs and other closed sectors.⁶ Furthermore, the EU supports further integration into the ASEAN Economic Community (AEC) (EEAS, 2013). Thus, market integration and market access resemble in the specified EU interests in Vietnam too. The next chapter outlines the bi-regional *product*, working towards those goals for ASEAN, Indonesia and Vietnam.

V. The EU-ASEAN *product*

The BS is the most recent and concrete form of EU-ASEAN bi-regional cooperation, my *product* of regional integration. This chapter shortly outlines EU-ASEAN overall cooperation and describes the main BS programmes.

The EU was the first to befriend the new-born Southeast Asian integration attempt in 1972. This amity was of great value to ASEAN, in a diplomatic and practical manner. The EU, the global example of regional integration, supported ASEAN for years with counselling and development assistance (*Table 6: 11*). The Trans-Regional EU ASEAN Trade Initiative (TREATI) forms the first specific EU assistance to the ASEAN integration process. With TREATI, EU bi-regional counselling on regulatory cooperation and integration in ASEAN commenced in 2003. TREATI led to better communication and understanding on procedures and standards, by organizing workshops and meetings (EU Council, 2007). The EU-ASEAN friendship further concretised with the Nuremberg Declaration in 2007. Led by the German EU Council Presidency, this document pushed the bi-regional friendship beyond development cooperation. A 'conducive environment for trade' was high on the common wish list (EU Council, 2007: p. 4). The BS elaborates on this Nuremberg Declaration. Naturally, it is updated to the political and especially economic situation, but the essence of both bilateral documents remains the same: broad cooperation to stabilize ties and trade. Again, this continuous course enables me to change my research period (2010-2015): the EU follows the same strategy for ASEAN (*Table 6: 3*).

The BS comprises of a security, political and economic section. I focus on the main directives of the latter category. The BS emphasizes the need for further regional integration in the ASEAN region. Moreover, it contains several initiatives and policies that support this process. Most important is the ASEAN Regional Integration Support from the EU (ARISE),

⁶ I use the Vietnamese-English term 'equitisation', extracted from interviews and literature.

which provided €15 million in support towards ASEAN integration between 2013 and 2016. This 'key instrument' follows TREATI, but is more comprehensive (EEAS, 2013: p. 4). The emphasis here lies on cooperation with ASEC, which receives already €3 million in support. The new ARISE+ follows that course (EC, 2016). This underlines the ASEC as the centre of gravity in the EU-ASEAN bi-regional cooperation. However, the ASEAN Summit with the Heads of State is the supreme policy making body (ASEC, 2008). Lower councils, like the ASEAN Economic Ministers guide the economic processes. As the ASEAN Charter is inspired by the EU model, the EC strives to build the ASEC as its equal to enhance (economic) cooperation (EC, 2016 and *Table 6: 3*). Furthermore, it aims to enhance the high-level capacity building, for which the EU contributed €8.5 million in expertise, travel arrangements and overhead costs. This is the overall technical assistance project to ASEAN (EEAS, 2013). This assistance comprehends a wide range of issues, from border protection to SPS-regulations. Finally, supporting the integration of the ASEAN Single Market, the EU invests €3 million in an ASEAN Customs Protection System. Strengthening the AEC following the AEC Blueprint (the ASEAN roadmap to economic integration) is therewith an important directive (EEAS, 2013).

I divided the economic directives and programmes of the BS over the variables and indicators of regional economic integration (*Table 1*). That allows systematic comparison: from the *product* directives, to the final *process*, the policy and position of my nation cases. Therewith, the next chapter exposes the effectivity and impact of bi-regional RIS in practice.

VI. Analysis: the process

This chapter compares the EU aims of market integration (divided in market integration and policy integration) and market access to the final policy of my Southeast Asian nation cases. My analysis is divided over three subchapters, structurally studying the concerned representative indicators (*Matrix 1*). Therewith, I check whether my cases develop towards the EU aims, following the BS directives (*Table 1*).

A. Market integration

First, I analyse the level of market integration of my cases. This EU aim is divided into two elements: market integration and policy integration (Capanelli et al., 2009). This subchapter discusses the first and its corresponding variables and indicators (*Matrix 1*). I constructed a series of graphs that outline that development. These graphs portray my cases and the ASEAN and CMLV-averages, to clarify the relative position of Indonesia and Vietnam.⁷ I sometimes added particular ASEAN economies to highlight intra-regional developments.

The overall trade/GDP ratio illustrates the importance of trade for an economy. This ratio was quite high in the ASEAN region (70%), well above the world average a decade ago (World Bank, 2017). Following the CLMV-average, this high ratio is especially true for the poorer ASEAN-nations (*Graph 1*). CLMV-nations are more dependent on trade of mainly commodities and cheap manufacturing (Hwee and Mirza, 2015). Overall still, the ASEAN ratio rapidly declined.

⁷ The CLMV-group consists of the poorer ASEAN-nations: Cambodia, Lao, Myanmar and Vietnam.

Indonesia is the least connected to global markets. Its GDP is far from dependent on trade (*Graph 1*). Historically, Indonesia mainly exports commodities (oil and gas) and palm oil (Hwee and Mirza, 2016). At the beginning of the millennium, Yudyohono opened up to region (Heiduk, 2016). However, president Joko 'Jokowi' Widodo changed course in 2015. He aims at the internal development of Indonesia, mainly by governmental investments in energy and infrastructure. This might improve inclusion in the vast and introverted archipelago (*Table 6: 16*). Still, this 'inward-turn' does not benefit its trade position: its trade/GDP ratio is now further in decline. (Harding and Merchant, 2016). Vietnam, on the other hand, shows positive development. Its ratio is rising and has recovered resiliently from the Global Financial Crisis (GFC) 2007-2008. Over my research period, the trade/GDP ratio grew from 72% to almost 90% in 2015. Vietnamese representatives emphasize the importance of trade for their open economy (*Table 6: 30 and 5*). Quantitative analysis underlines this: the growth of Vietnamese GDP is increasingly dependent on trade.

Intra-ASEAN trade exposes the regional connection. ASEAN falls short: intra-regional exports rose with just 2% over the last decade (*Graph 2*). A disappointing result for an integrating region (Sally, 2010). Within these declining exports, I again signal a divide based on the level of development. ASEAN-wide exports rise slightly, but the CLMV-exports drop. The poorer countries do not profit from the connection to the ASEAN-market. My research cases underline this divide. Indonesia ships a growing number of products to ASEAN markets. Over a decade, these exports grew with 7% (but are still below ASEAN-average). It is especially Singapore, Thailand and Malaysia who lift and profit from the intra-ASEAN exports (UNCTAD, 2017). Multinational representatives in the region underline this picture. The strongest economies dominate ASEAN markets. For example, Thai automotive exports to Vietnam have skyrocketed. Within the AEC, these cars are \$10.000 cheaper: an excellent deal for the growing Vietnamese middle class (*Table 6: 29*).

Vietnamese exports, on the contrary, dropped with about 7% to just over 10% in 2015. Therewith, Vietnamese exports are far below the CLMV and ASEAN-averages. The trading nation is apparently not that connected to regional markets. This is peculiar for a developing CLMV-country. Lao and Myanmar are still for over 50% dependent on intra-ASEAN exports in their overall trade (UNCTAD, 2017). This small growth in Vietnamese exports can partly be explained by the small added value of the Vietnamese economy. Industries mainly comprise of assembly, which adds only little value to these products. Too little to label them as 'Vietnamese' when traded. Therewith, true Vietnamese exports stay behind the national economic growth (*Table 6: 26*). International diplomats and business representatives in Hanoi warned unanimously for this economic trap in the Vietnamese growth. Vietnam has to attract knowledge or high-end industries to secure continuous development. Furthermore, Vietnam focuses more on markets further away, like electronics and garments to the United States (US) and China (Zveglich and Lavina, 2016).

Intra-ASEAN imports are even worse. The ASEAN average is in decline since 2010. The CMLV-average declined the furthest, with imports dropping 10% over the last decade (*Graph 3*). Indonesia was a big ASEAN-importer, but its numbers just dropped under ASEAN-average in 2015. Widodo's shift explains this drop. The president strives to develop the Indonesian self-sufficiency to increase the independency of his country. He implemented

rather nationalistic economic policies, to enhance the internal development of the archipelago. Imports do not fit that picture of a self-sustainable Indonesia (*Table 5: 16*). This policy might hurt Indonesian development. It challenges Indonesia's position in ASEAN and could stagnate economic development. 'Self-sufficiency is politically rational, but economically irrational' – a Jakarta-based expat warned (*Table 6: 38*).

Vietnamese imports are declining even further. It performs just above the CLMV-average. Historically, Vietnam is very dependent on China (26%) for its imports, especially for machineries and equipment. Furthermore, it ships in more goods from other big Asian economies than the ASEAN market (Hwee and Mirza, 2016). Although Vietnamese government officials emphasize the shift towards the ASEAN market and diversification away from its import-partners of old, this does not yet reflect in the import rates. Overall, intra-ASEAN trade shares are dissatisfactory. Analysis of the position and policy of my nation cases shows that they do not benefit ASEAN market integration and do not follow the directives (BS 2.1.4).

ASEAN foreign direct investment (FDI) is on the rise. In 2014, ASEAN was the biggest receiver and investor in the developing world. A remarkable achievement, but incoming investment decreased in 2015 (Hwee and Mirza, 2016). The volatile FDI flows follow the likes of investment havens as Singapore and Thailand (*Graph 4* and *Graph 5*). These draw the most international attention. The overall investment to the CLMV-countries rises steadily. Outgoing FDI from ASEAN tripled over the last decade. The GFC caused some disruptions, leading to lower investments in its aftermath. The position and development of Singaporean FDI is again important, it even inflicted an ASEAN-wide dip in 2012 (*Graph 7*). Naturally, the CLMV-countries invest less than the more developed nations, as their financial possibilities are limited.

The EU is the biggest external investor in ASEAN. An impressive position, trumpeted in Brussels (*Table 6: 3* and *9*). The EU indeed surpasses external competitors. However, ASEAN academics warn for a fallacy; the EU-28 compete with single market players like Japan, South Korea and China (*Graph 6*). Divided per country, EU investments in the region are surprisingly small (*Table 6: 5* and *17*). European executives and diplomats in the ASEAN region emphasize the need to enlarge investment flows. Although the EU itself and several Multinational Corporations (MNCs) are active in the region, the investment possibilities – especially with the current growth numbers – are relatively unknown and insufficiently communicated. Besides, the EU mainly invests in the bigger ASEAN economies like Singapore and sticks to traditional investments in the banking and pharmaceutical sector (*Table 6: 17*). Long-term business-investments can help the EU to become a more regarded and reliable partner (*Table 6: 33*). Therewith, the EU does not follow its directives itself (BS 2.1.8 and 2.1.9).

Intra-ASEAN investment surged. ASEAN overtook the EU in 2015, becoming the biggest investor in its own markets (Hwee and Mirza, 2016). CLMV-countries are a fast-growing market for this intra-ASEAN FDI. An interesting development, since both intra-ASEAN investment and equal development are spear points of the AEC (ASEC, 2015). Moreover, diminishing investment barriers is an explicit goal of the BS (BS 2.2.2 and 2.2.3).

Indonesia traditionally has weak investment ties to the ASEAN market (Bo and Woo, 2009). Over the last decade, the government tried to enhance its image as an investment destination. Following the economic growth, investment grew slightly (*Graph 4*). Now, FDI drops again. Although successive governments tried to open up their country for investment, the possibilities are still limited and protectionist measures abundant. New regulations are insufficient to convince international investors, especially from outside ASEAN (*Table 6: 18*). Relatively, Indonesia is a marginal player (*Graph 4*). EU FDI in the country is very small; the slight growth depends on intra-ASEAN investment. Wealthy ASEAN-partners Singapore and Malaysia are major financiers for the archipelago state (*Table 6: 16*). Indonesia is therefore one of the few ASEAN nations with a negative intra-ASEAN FDI: the nation receives far more than it reinvests (*Graph 5*). It cannot keep up with Singapore and Malaysia. Although incoming investment is slightly growing, this is a meagre result for a regional giant as Indonesia.

Vietnamese FDI is increasing. In 2015, Vietnamese FDI was just above the regional average (*Graph 4*). These investments flow to its manufacturing industries, especially garments and electronics production. Low labour costs – up to 22% lower than other ASEAN nations – and an increasingly attractive business climate welcome producers. New activities in turn attract parts and components production (*Table 6: 31*). EU investment is also growing, albeit very modest. FDI levels are only just at pre-crisis levels. South-Korean investment is notably big, as Samsung opened a new plant in 2015 (Hwee and Mirza, 2015). Funds have also discovered Vietnam: equity investment grew a 100% over 2015 (Hwee and Mirza, 2016). Vietnamese business representatives underlined the growing inflow of international capital. Besides investment in agriculture and industries, Vietnamese real estate became a target (*Table 6: 33*).

Attracting FDI is a spear point of Vietnamese governmental policy. With the process of *equitisation*, the government strives to attract (international) investment for its SOEs. A bigger part of SOE-shares is open for investment and the government restructures corporate supervision. Whereas the Ministry of Industry used to be responsible for both the investments and management of the SOEs, they will now only focus on the latter (*Table 6: 30*). Therewith, the government loses grip on its SOEs, but this is ‘a choice between two evils’ (*Table 6: 28*). It does not have the financial capabilities to warrant the debts of the uncompetitive enterprises (*Table 6: 32*). Indeed, the government diminished the number of SOEs. It did so by enlarging the remaining enterprises. EU representatives warn that the *equitisation* process is also considerably behind schedule, as are its investments. Vietnam receives a lot of FDI, but does not yet return the favour. Its outflow increased only slightly. Still, this aims at other CLMV-markets (Hwee and Mirza, 2015). This investment strategy resembles its policy to narrow the development gap within the AEC, as I will point out later.

Thus, ASEAN is becoming an attractive investment destination. Both extra and intra-ASEAN FDI increased. Besides, the outflow rises, although volatily. Indonesia struggles to attract investors due to government regulations. Besides, it does not invest that much in its peers. Vietnam, on the contrary, is an upcoming investment destination (like its CLMV-peers). Although *equitisation* shows mixed results and outward FDI is small, its progress is promising. For market integration, my cases therefore show mixed results. Vietnam largely follows the EU aims on trade and investment, but Indonesia develops divertingly (BS 2.2.3).

B. Policy integration

Policy coordination forms the second pillar of market integration. Differing policies can hamper the 'seamless flow' of trade (ASEC, 2015: p. 3). First, I look into the position of my cases within the ASEAN regional dialogue. Do Indonesia and Vietnam indeed take a progressive stance in ASEAN to pioneer regional integration? Then, I look into their FTA-record to analyse their trade policy integration. Finally, I research the admission charges for trade: tariffs and NTMs. Governments can deploy these measures for protectionist policies, to shield their markets and restrict trade (Oatley, 2008). These measures will receive particular attention, as they determine both the market integration and accessibility. Especially NTMs, as these are the 'crucial link' in trade integration (*Table 6: 17*).

Indonesia could play a decisive role in regional cooperation, based on its economic potential (Mattli, 1999). At first sight, Indonesia follows this prescription and acts as a regional hegemon. It forms a constructive partner in the regional dialogue and adjusted policies to ASEAN development (*Table 6: 19-21*). Under Yudyohono, Indonesia even actively pushed regional integration (Heiduk, 2016). However, Widodo chose a more reluctant policy. ASEAN is now one of many pillars of policy, instead of its cornerstone (Heiduk, 2016). Governmental policy emphasizes domestic development, with strategies for food self-sufficiency, infrastructure development and regulated trade. Indonesia cannot keep up with richer nations like Malaysia, Thailand and Singapore. On the other hand, it cannot compete with cheap producers like Vietnam and Myanmar. To get out of this blind alley, Indonesia needs the international and regional cooperation framework. Knowledge transferal and a raise of standards will help Indonesia to get up to the higher developed ASEAN nations. Therewith, the AEC and ASEAN are a kind of health club: it will hurt in the beginning, but will make Indonesia a stronger and more sustainable economy in the end (*Table 6: 18*).

The Indonesian government is well aware of its position, but faces tough domestic challenges. First, the democratic support of Widodo was long insecure, with political elites and pressure groups pushing their domestic agenda's (*Table 6: 16*). Progress and international policy making is therefore not as straightforward as in communist Vietnam. Second, in the vast archipelago, local politicians still enjoy quite some political autonomy (*Table 6: 38*). It is hard to find support for a progressive and open agenda. Trade Minister Tom Lembong, who famously stated that 'protectionism is for children and the elderly', was replaced in July 2016 within a year: too progressive (Lembong, in Owen, 2016: p. 1). Widodo's move towards the inward-looking domestic development is politically more attractive, realizable and popular. This results in a slow and selective integration policy (Heiduk, 2016). Indonesia chooses its fields of cooperation in the AEC wisely. Integration of labour and aviation markets remain a zenith on the horizon (Heiduk, 2016 and Huelser and Heal, 2014). On the contrary, Indonesia pushes cooperation on maritime and military issues. This selective integration and domestic-development-based policy makes Indonesia a whimsical ASEAN-partner, instead of a pioneer of integration.

Vietnam is an increasingly important player within ASEAN. At first, Vietnam distrusted the bloc and refused membership. The communist government felt threatened by the cooperation of the capitalistic regional powers. This tension increased when Vietnam occupied parts of Cambodia in the Kampuchean war. Only after the stabilization of the Indochinese region in 1995, Vietnam joined ASEAN. Once a member, Vietnam set regional equality firmly on the agenda, benefitting their own development as an underdeveloped nation. During the Vietnamese presidencies of ASEAN, two Hanoi plans (1998 and 2001) were implemented to narrow the regional development gap (Amer, 2015).

Now, as the 'best of the rest', Vietnam continues to support CLMV-development (Table 6: 28). Its growing FDI-outflow and efforts towards equalization underline this positive stance. The country itself is nowadays less in need of this support and gains importance in the bloc (Table 6: 12). Regional military developments compel Vietnam to counterbalance China in times of unstable American and Philippine policy. Vietnam regards ASEAN as a framework for support (Clark, 2016). Internally, Vietnamese policy-makers envision a multi-level ASEAN. Vietnam will be in the middle-developed group, together with the Philippines and Indonesia (Table 6: 30). This idea has a striking resemblance with the multi-speed Europe. Anyhow, Vietnam became a trustworthy agent in ASEAN. After a difficult start, it increased its credibility with its economic attractiveness. Vietnam manifested itself as a supporter of the poor and a stable partner in an unstable region. Therewith, the regional role of Indonesia deviates, whereas Vietnam follows the directives (BS 2.2.2.).

FTAs enhance policy integration through *a priori* adjustment (Jetschke, 2013). ASEAN has a difficult history with FTAs. Since its establishment, it searched for policy equalization, lower tariffs and NTMs (Jones, 2015). Only in 1994, the ASEAN Free Trade Area (AFTA) was implemented. Although the AFTA did in the end prompt the ASEAN nations to lower tariffs, its results for NTMs are ambiguous (Sally, 2010). In the new AEC, members strive to tackle this, as I will explain later. The final implementation of the AEC, at the very end of 2015, came as a surprise (Jones, 2015). Its ambitious plans however, will have to be executed over the next decade. The AEC follows the ASEAN way: agreements on paper are solely a direction for later implementation (Table 6: 24). Therewith, the AEC is more a concretisation of the AFTA agreement and a first step towards harmonisation of NTMs (Table 6: 18).

Besides the AFTA, ASEAN concluded (and implemented) seven FTAs with its Dialogue Partners (ARIC, 2015). There is not yet a FTA with the EU, as I will elaborate on later. Two recent developments on FTAs stand out. US president Donald Trump pulled back the Trans-Pacific Partnership. This 'worst trade deal ever' would improve American influence in the region, binding many ASEAN nations - all ten are at least candidate members - to the US and other big pacific traders (Trump, in Panda, 2017: p. 1). Now, only the Chinese answer remains. The Regional Comprehensive Economic Partnership (RCEP) forms an assembly of all FTAs with Dialogue Partners. China and Japan both suggested this idea a decade ago, leading to a stalemate. Finally, ASEAN reintroduced the proposal. Therewith, it presented itself as a negotiating platform between the big regional powers. This RCEP has a big chance of success - it does not contain anything new. The RCEP is only a modest step forward for regional trade relations. Because internally, the positions on FTAs differ quite a bit.

Almost naturally, Singapore champions ASEAN FTAs. The nation handles thirty-three FTAs, double the ASEAN average of fifteen FTAs per country (*Table 4*). Indonesia (16) is just above this average. It has a difficult history with FTAs, mainly due to its uncompetitive position. Indonesia vetoed an ASEAN overall agreement already in the 1970s (*Table 6: 15*). Moreover, the implementation of the ASEAN-Chinese FTA (2005) flooded Indonesian markets with Chinese products. Therewith, Indonesia is now 'FTA fatigue', and was very suspicious of the overall EU-ASEAN FTA (*Table 6: 16*). Still, six negotiations were launched during my research period. With these talks, Indonesia strives to diversify trade. It searches for other connections than its Chinese and ASEAN partners. The negotiations with the EU and Australia exemplify that diversification policy (*Table 6: 18*). Indonesia also reintroduced the RCEP, often falsely portrayed as a Chinese initiative (*Table 6: 39*). With this proposal, Indonesia strives to position itself as a pioneer of free trade. The RCEP-negotiations will probably be successful, as the drafts contain nothing new. Other international FTAs (including the CEPA) will probably be more problematic. Indonesia wants to keep its protectionist measures and counters procurement. Indonesia positions itself as a patron of free trade, but its practical implementation is dubious (*Table 6: 15*).

Vietnam handles fifteen FTAs, of which ten are signed and one is awaiting approval (the EVFTA). Besides, it has also launched four new negotiations over my research period (ARIC, 2015). With these plans, Vietnam also strives to diversify its trade from China. In the Vietnamese case, the trade dependency of the country and its reforms point at a true opening up. This is part of their endeavour to become a leading trading partner in the ASEAN region. Vietnam sees itself as the new hub into ASEAN (*Table 5: 30*). Concerning FTAs, I question Indonesian policy. Vietnam again follows the directives (BS 2.2.1).

Tariffs in ASEAN are in decline (Ing, Fernandez de Cordoba and Cadot, 2016). Member states follow the guidelines set out by the AFTA to enhance trade between its member states. The AEC also commands a reduction in tariffs (ASEAN, 2015). Indonesia follows this trend. Most Favourite Nation tariffs – the highest possible – dropped from 15% to just below 6% in 2013 (Patunru and Rahardja, 2015). An impressive effort, but since then, tariffs rose slightly. This is again follows Widodo's policy. To enhance domestic development, he shielded the Indonesian with more harmful policies to international trade in 2016 (Heiduk, 2016). Indonesia obediently diminished tariffs, but seems to be shifting gears now. Vietnam follows the ASEAN trend too. Its tariffs dropped even further, towards 3% in 2015 (WITS, 2017). Lowering tariffs according to the AFTA and AEC rules is for Vietnam an economic necessity. Vietnam will need stable and smooth trade connections with regional and external partners in the upcoming years (*Table 6: 31*).

Tariffs are decreasing. Still, the intra-ASEAN trade is barely growing. This implies that we miss a piece of this puzzle. Trade diversification beyond ASEAN is a part of this explanation. Moreover, both my quantitative and qualitative sources emphasized the impact of undisclosed obstructions: Non-Tariff Measures. Beyond tariffs, a framework of rules regulates trade. Whereas the WTO controls the tariffs, NTMs are a blind spot in trade regulation. They often go 'under the radar screen' and depend on the goodwill of policymakers (Ing et al., 2016: p. 14).

NTMs are 'policy measures affecting international trade, changing quantities, or prices or both' (UNCTAD, 2012). This covers a wide range of measures. Sanitary and phyto sanitary (SPS) regulations, technical barriers to trade (TBTs) and trade regulations (export and import regulations and non-trade barriers (NTBs)) are the most important for this research. NTBs are thus a subgroup of NTMs, restricting imports and exports (Thanh, Duong and Minh, 2016: p. 157). This is an important distinction. NTBs and trade regulations namely point at political economic, instead of environmental or human protection, like SPS regulations (Ing et al., 2016).

Overall NTMs in ASEAN surged from 1634 (2000) to almost 6000 in 2015 (Ing et al., 2016). Besides, the region has a high coverage (85%), based on the 100% coverage of most ASEAN-countries. They have one or more NTMs that concern all product lines. The increase in NTMs could be a substitute for the shrinking tariffs; another way for policy makers to hold grip on their economies. This is the political economic hypothesis: policy makers benefit politically from these measures. In this case, policy makers use NTBs and state measures that regulate exports and imports (Ing et al., 2016). Alternatively, the rise is a result of economic modernization, with consumers advocating more variety and safety of their products (Ing et al., 2016). This is the institutional economic hypothesis: policy makers implement NTMs to guarantee product safety. In this case, the nations should show an increase in SPS measures (Ing et al., 2016). An exploration of these hypotheses exposes how my cases develop concerning NTMs and for what reasons. As NTMs influence both EU aims, I elaborate extensively on this variable. To do so, I analyse the impact of NTMs on four sub-indicators: the total number, the coverage, the division by type, and the number of harmful NTMs to trade (Ing et al., 2016 and Patunru and Rahardja, 2016).

The total number of NTMs in Indonesia is just above the ASEAN average (*Table 2*). Compared to other regional economies, Indonesia's number of NTMs is even relatively small. The product coverage of Indonesian NTMs (75%) is also modest. Indonesian diplomats assured me that this underlines the openness of the Indonesian economy. However, research shows that Indonesia stands out on the number of 'harmful' NTMs for international trade (Patunru and Rahardja, 2016). As not all NTMs are necessarily harming market access and integration, we need to focus on NTMs that truly restrict trade (*Table 6: 17*). The website *Global Trade Alert* shows that Indonesia outnumbers its ASEAN peers concerning 'harmful' NTMs to international trade (*Table 2*). The categorization of NTMs further exposes the harmful effect on trade. The majority of Indonesian NTMs does not relate to product-safety (SPS). Over half of Indonesian NTMs is a TBT, and more telling: over 30% concerns export-subsidies and other (political) policies (Ing et al., 2016). These NTMs effectively comply with Islamic dietary laws and protect religious food safety, a high-ranking Indonesian diplomat explained. However, non-governmental agents painted a different picture.

Indonesian academics explained that many of these rules are more political-economic than religious. Politicians use this religious cover-up to shield Indonesian markets. Although Indonesia has always been a more inward-looking island nation, Widodo's domestic turn strengthened this trend. A Jakarta based think-tanker observed that these religious NTMs might be convincing, where it not that Malaysia - with whom Indonesia shares both an

island and a religion - handles a completely different set of rules. MNC representatives underlined that Indonesian NTMs merely regulate trade and imports. The Indonesian halal regime hampers trade and implies very strict rules for production, even in Europe (*Table 6: 26 and 27*). That does not benefit Indonesian economic development. To my understanding, the high number of NTMs protects Indonesian markets for one major reason: a lack of competitiveness. This again traces back to the protectionist governmental stance. Widodo uses NTMs as a 'substitute' for the decreasing tariffs (Ing et al., 2016: p. 22). The political economic hypothesis stands in this case. The high number of harmful NTMs, based on political economic market protection, makes Indonesia 'one of the worst offenders' concerning NTMs (Patunru and Rahardja, 2015). For NTMs, Indonesian market integration is far from increasing (BS 2.2.6 and 2.2.8).

Vietnam has relatively few NTMs (379 in 2015), far below ASEAN average (*Table 2*). Still, these measures cover all product lines. The government implemented two overall NTMs, which concern trade legislation and registration (Thanh et al., 2016). Therewith, Vietnam appears as fair trader. Analysis of the different types of measures point at food and product safety. SPS and TBT measures count up to almost $\frac{3}{4}$ of all NTMs (*Table 2*). However, the number of harmful NTMs in Vietnam is big and above ASEAN average. Moreover, most of these harmful NTMs influence trade with state aid or restrictions. Therewith, Vietnam is a mixed case.

My Vietnamese interlocutors pointed out three reasons for this ambiguous stance. First, the Vietnamese economy is strictly tied to the Chinese economy. To shield its markets from cheap Chinese exports, the government acts as a gatekeeper (*Table 6: 29*). Therefore, most of Vietnam's harmful NTMs concern trade regulations (*Table 3*). Second, Vietnam is transforming its economy, for which it gradually phases out NTMs. Both international and Vietnamese diplomats confirmed this gradual opening up. Still, the giant SOEs dominate the economy, pressuring the government for protective measures. The financial responsibility for these SOEs increases that pressure: the government has to finance possible debts (*Table 6: 32*). Third, many Vietnamese NTMs are thus far unspecified. As the study of NTMs has only recently commenced, more in-depth research can expose the true origin and influence of Vietnamese NTMs (Thanh et al., 2016). In conclusion, the Vietnamese economy does have a relatively high number of harmful trade regulations. The big influence of SOEs remains problematic. However, the named NTMs mainly guard the quality of incoming (Chinese) products. Therewith, Vietnam follows the institutional economic hypothesis. Besides, it reviews and restructures its NTMs. Thus, Vietnam is doing relatively well on NTMs and follows the EU prescriptions (BS 2.2.3 and 2.2.8).

C. Market access

Last, but definitely not least: market access. A multitude of interlocutors stated that this is the foremost objective of EU RIS (*Table 5: Category 1 and 2*). ASEAN accessibility is of crucial importance, as a 'prosperous Union hinges on sustainable access to global commons' (EEAS, 2016: p. 8). This last subchapter focuses on that accessibility. It first analyses the trade flow with the EU. Then, I look into the proposed bi-regional cooperation to strengthen trade, to distinguish the role of the BS and its particular projects. After that, I focus on the specialized

programmes for my cases. These again discuss NTMs, as cooperation on standardisation forms a major challenge (*Table 6: 23*). Finally, I analyse the upcoming FTAs with the EU, promising skyrocketing accessibility.

ASEAN is the third largest trading partner of the EU, after China and the US (EC, 2017). Vice versa, the EU is the second largest trading partner of ASEAN, again after China. This trade with ASEAN is growing. EU imports rose with 40% over my research period (EC, 2017). Now, imports in goods from the ASEAN region are more than 7% of all external imports, mainly machinery and garments (EC, 2017). Exports are smaller – the EU has a growing trade deficit with ASEAN – but are on the rise too. These exports concern mainly services.

The trade flow with Indonesia follows this pattern. Trade grew over the last decade (*Graph 8*). This growth commenced before my research period. Although the EU overall has a trade deficit towards the ASEAN, its exports towards Indonesia are on the rise. This mainly comes down to services, whereas Indonesia exports agricultural and manufactured products to the EU (EC, 2016a). Following the trade flow, the market accessibility of the EU towards Indonesia is indeed enhancing. Trade with Vietnam grew even faster (*Graph 9*). Imports from the EU tripled over my research period, mainly based on manufactured products and electronics. The EU again exports mainly services (EC, 2017b). Within the ASEAN trade flow, Vietnam rapidly expanded its market share: its imports now resemble almost 25% of overall ASEAN imports. Exports count for 10% of overall exports to ASEAN, whereas Indonesia stays behind. The biggest ASEAN economy solely counts for around 10% of the total trade flow (EC, 2017). Therewith, market access is improving, but Indonesia cannot keep up with the other developed ASEAN nations. Vietnam increases its market share and improves its accessibility. Still, both countries are improving their market access (BS 2.2.6, 2.2.7 and 2.2.8).

The growing trade flow highlights the improving EU-ASEAN connection. However, as the EU and ASEAN markets are complimentary, this does not necessarily have to be because of the BS and RIS (*Table 6: 29*). Therefore, I look into bi-regional cooperation (*Table 1*). The EU-ASEAN connection concretised with the Nuremberg Declaration. Still, according to some EU officials, the EU was rather late with its cooperative stance. Only in September 2015, the EU accredited an official Ambassador to ASEAN, H.E. Mr. Francisco Fontan Pardo. The EU was only the eighth Dialogue Partner to do so. Therewith the diplomatic concretisation was rather late: the EU perhaps ‘missed the train’ (*Table 6: 11*).

Nowadays, the EU positions itself as an important partner in ASEAN regional integration. RIS plays a major role in that process. To expose the actual addition of RIS, I concluded all interviews in the ASEAN region with an inquiry on the BS. I asked my interlocutors on their personal thoughts of this bi-regional cooperation. To quantify the effectivity of this connection, I asked my interlocutors to rank collaboration in the BS. Overall, the EU-ASEAN cooperation passed the test with a seven average. Although unreliable, it provides interesting insights (Boeije et al., 2009). European functionaries in the region were overall more negative on the EU contribution than their ASEAN colleagues were (*Table 5*). Socially desirable answers from the ASEAN side might blur this picture. Moreover, EU representatives feel that the visibility of their work is limited (*Table 6: 11 and 31*). Still, several

comments on the BS recurred. As these are extensive and important to understand the effectivity of RIS, I clarify them here and shortly outline them in my conclusion.

The ASEC is the first point of contact for bi-regional cooperation. The EU itself is an indispensable partner for the ASEC, as it is challenged in its financial means and personnel. ASEAN-representatives cover over 700 meetings for the AEC alone. Moreover, with a budget of 1.7 million per year, the ASEC does not have the means to cover and steer the full integration process (*Table 6: 12*). The EU support towards the ASEC is important, especially with the multi-year programs. These help building the image of the EU as reliable partner for both the ASEC as the ASEAN nations (*Table 6: 11*). I make this distinction on purpose, as true power still lies within the different capitals. The ASEC is not an EC, guiding the bloc. A European diplomat strikingly named ASEC a 'toothless tiger' (*Table 6: 32*). It is hard to support ASEAN integration effectively from that weak point. More attention for the different capitals is recommended, instead of being engrossed in support for the powerless ASEC (*Table 6: 15*). Then, the EU is sure to assist a well-supported ASEAN.

The EU assists regional integration with both financial and technical support. Following the first, the ASEC and the ASEAN countries do not have enough absorption capacity to channel the European funds. Therewith, the money does not reach the foreseen goals and plans (*Table 6: 5 and 12*). Furthermore, the ASEAN structure challenges swift decision-making. For example, Japan set up an investment funds for ASEAN development – ASEAN only had to propose projects. It took member states years to come up with a common project and purpose (*Table 6: 11*). Besides, these programmes are too often supply instead of demand-based. The EC or EU Parliament pledge money for projects that are not really necessary or practical. Several ASEAN sources confirmed that there have indeed be multi million euro projects which received no follow up: the European companions flew home, the website went black and that was that. The ASEAN nations did not see the added value (*Table 6: 15, 16 and 18*). Therewith, these projects can better address regional needs. Other international organisations as the Papal Cor Unum - the oldest global development provider – focus on demand. Local information is key to adjust to true needs for food, shelter or education (*Table 6: 40*). The Food and Agriculture Organisation follows this path of demand-based assistance too (*Table 6: 38*). The EU Directorate General for Development Cooperation also implements a form of this strategy. Only if plans are executed, the funds are transferred. That forms a workable control on spending and allocation of funds (*Table 6: 10*). These (international) alternatives could inspire the EC to create demand-based RIS.

Technical support is much more interesting for ASEAN in the long-run. The ASEAN nations - like Vietnam and Indonesia - strive to develop their technical and professional standards. The EU is an attractive partner in that process, based on its substantial base of knowledge and expertise. The ARISE programme proves the added value of EU assistance. The programme, consisting of specific workshops on a variety of integrational issues, is positively evaluated by regional actors (*Table 6: 23*). Especially best practices from the EU commission or different member states came up as highly interesting (*Table 6: 13 and 15*). Moreover, the EC already commenced the ARISE + programme, investing another €40 million up to 2020 (EC, 2016). Still, these programmes can be enhanced. ARISE + righteously underlines the necessity of frequent evaluation and adaptation (EC, 2016). Moreover, these

Brussels organized programmes depend on expensive international consultancy bureaus. Locals are often better adapted to the situation and much less costly (*Table 6: 18 and 31*). The regional EU representations and business chambers have the knowledge and network to arrange this.

Finally, a prudent tone of conversation towards ASEAN is required. In every talk, ASEAN representatives imprinted me that the EU is solely a reference point for integration. Furthermore, ASEAN representatives see Brexit as a big loss of face, setting back the EU negotiation position. ASEAN will not develop towards the EU blueprint and remain a weak model (*Table 6: 13 and 18*). True power transferal still has not taken place and the ASEC only operates to the likes of the ASEAN governments. Furthermore, decision-making still follows unanimity. Nevertheless, another system would not work at all: there is still too much distrust and dispute in the region (*Table 6: 24*). The EU can indeed strive to shape the world according to its standards, which is convincing for technical support. Still, RIS towards ASEAN is often more a 'missionary task' than a supportive role, a European representative explained (*Table 6: 11*). The frictions above resemble in the different supporting programmes to my nation cases.

For the nation cases, cooperation with the EU also has differing results. As noted above, Indonesia and Vietnam protect their economies with NTMs. All nations do, as NTMs are vital for fair and qualitative trade (*Table 6: 17*). The EU itself is very strict; it enforces the highest set of food standards and regulations in the world. The EU strives to expand these standards to the rest of the world. The BS pushes this development. It advocates understanding and cooperation on these regulatory issues and standards (BS Article 2.2.3 and 2.2.8).

In Indonesia, product safety is one of the spear points of the Widodo government. Due to a historical lack of standards and regulations, Indonesia has a bad image on product quality for fishing, timber logging and palm oil production (*Table 6: 38*). Indonesia now collaborates with the EU and other international partners to create standards and regulations for these suspicious products. Indonesia lately joined the EU programme on timber, the Forest Law Enforcement, Governance and Trade (FLEGT). FLEGT is a framework of technical assistance on production, standards and customs to avoid illegal logging and illegal exports to the EU (European Forest Institute, 2014). Indonesia is the first Asian country to do so. Although specific technical issues still have to be addressed, FLEGT forms an excellent example of EU-Indonesian cooperation on standards (*Table 6: 4*). Both EU and policy makers trumpeted this development, which is indeed a luminary of external RIS and cooperation.

Besides this positive example, Indonesia indeed returned to a protectionist policy. The number of NTMs grows and Widodo's domestic turn strengthens that process. Indonesia accepts EU support wisely on standards that enlarge its export possibilities and 'open' its economy (*Table 6: 14*). For a part, this policy works: Indonesia's score on the Ease of Doing Business Index improved over my research period from place 126 to place 91 (World Bank, 2017). Therewith, opportunities for trade and investment rise. Still, Indonesia chooses a distinct path towards economic development. This again underlines the selective integration policy.

There also have been recent tensions between Indonesia and the EU. The EU eyes to join the East Asia Summit to enhance its influence in the region. Indonesia is blocking this bid for membership (*Table 6: 19 and 20*). Although a small diplomatic irritation, it again shows that Indonesia follows its own course. Therewith, I conclude that considering cooperation on standards and NTMs, Indonesia is only partly following the EU directives (BS 2.2.6 and 2.2.8).

Vietnam is a different story. It has relatively high much NTMs too – although less than Indonesia. Besides, Vietnam actively reduces its NTMs and strives to develop towards EU standards. Communist Vietnam had a strict trading and investment regime, unwelcoming for external partners. Now, it recognizes the value of opening up to the ASEAN and worldwide market and actively improves its business climate. The MUTRAP programme with the EU supports that. MUTRAP prepares Vietnam for the EVFTA, which requires major economic adjustments. Standards will have to rise to the EU level. Furthermore, Vietnam will have to enhance its accessibility for trade and investment (MUTRAP, 2017). Both EU and Vietnamese government officials applauded this programme. The World Bank acknowledges this, which led to a growing position on the Ease of Doing Business Index from place 90 to 82 (World Bank, 2017b). MNC-representatives also stressed the positive Vietnamese development towards higher standards and *equitisation* (*Table 6: 26 and 27*). On the other hand, Vietnam also has a striking case of supply-based assistance. The EU implemented a €400 million project to develop the use of sustainable energy in Vietnam. In a country with an energy market dominated by SOE Vietnam Electricity, this will be a tough nut to crack (Park, 2015). Although multiple EU representatives signalled the idea was unrealistic, the EC pushed forward (*Table 6: 31 and 32*). Nevertheless, Vietnam generally cooperates obediently and successfully with the EU.

Finally the FTA, the ultimate market accessibility. Negotiations on the EU-ASEAN FTA stranded in 2009 (ARIC, 2017). The blocs were too far apart and the EU does not lower its standards. Substantively, procurement and diverging standards formed the bottleneck (*Table 6: 3, 11 and 13*). Moreover, the ASEAN nations could not agree on a common stance among themselves (*Table 6: 11 and 18*). After these failed negotiations, EU Trade Commissioner Karel de Gucht changed course. Bilateral FTAs should serve as a ‘foundation’ for larger (bi-regional) FTAs, to prepare the partner for a comprehensive agreement (Laursen, 2016: p. 112). This strategy is still leading for ASEAN (EC, 2015). Mogherini’s *Global Strategy* also pushes bilateral FTAs as harbingers for a bi-regional connection (EEAS, 2016).

Both my nation cases are now negotiating an FTA with the EU. Indonesia launched official negotiations on CEPA in July 2016. After months of preparatory talks, both sides acknowledged the added value and saw common grounds to work upon. Again, this points at the Indonesian strive for diversification. Now, the negotiations are in the third round and an official document on EU rules of origin is released. This proposal is interesting, as it ‘takes into consideration the recent FTAs with Singapore and Vietnam’ (EC, 2017c). The EU strives to conclude another high-standard FTA, following its own rules and measures. Insiders to the negotiations stated that this framework would hinder the negotiations. EU Trade Commissioner Cecilia Malström named the EVTA a ‘new modern model for trade agreements’ (Malström, in Free Trade Association, 2016, p. 1). Whereas Singapore and

Vietnam where willing and able to accept this Indonesia might not be that progressive. Indonesia is unwilling to raise its standards and denounces procurement. The EU does not bargain, so a common result might be far-fetched. Although negotiations continue and the official dialogue is optimistic, insiders fear an impossible negotiation. Indonesian academics underline the possibility that these negotiations only demonstrate a desire for open international trade (*Table 6: 15 and 18*). Therewith, I conclude that Indonesia partly follows the directives on market access and bilateral trade (BS 2.2.1).

The EVFTA, on the other hand, looks promising. Negotiations have already concluded and Vietnam accepted the ambitious EU standards. The document awaits approval of the national governments, which might prove problematic. German Chancellor Angela Merkel and French President Francois Hollande did not dare to take any risk with this FTA after the Trans-Atlantic Trade and Investment Partnership-debacle. Therefore, they named it a political economic agreement, which needs approval of all national governments. Thus, they either ensure popular support or cannot be personally blamed for this FTA in times of elections (*Table 6: 36*). This vote will be difficult, and is expected only in the second quarter of 2018, after the national elections (Foreign Trade Association, 2016). Nevertheless, the EVFTA is very ambitious. Its implementation will skyrocket Vietnamese market accessibility. With the EVFTA, 99% of tariffs will be eliminated, of which 65% immediately (EuroCham, 2017). Because Vietnam is after all a developing country, the EU allowed postponement on more challenging product lines. More important is the lift of NTMs to EU standards. This will allow further export expansion for Vietnam. Not only to the EU; global markets are within reach. As Vietnam is then the only (developing) country to have a bilateral FTA with the EU, it will further help Vietnam to become the gateway to the ASEAN region (*Table 6: 30*). Besides, it helps both Vietnam and the EU to diversify its trade from China. Vietnam will become the new (cheap) export hub towards the EU (*Table 6: 29*). These domestic reasons push the opening up of the Vietnamese economy. Therewith, Vietnamese market access is truly developing, even more towards the EU than to ASEAN (BS 2.2.1 and 2.2.3).

The trade flow of ASEAN and the EU enhanced over my research period. The cooperation with ASEAN is also partly successful, but can be improved by sharpening some policies and programmes. The cooperation of the EU and my research cases is also relatively successful. Lastly, the FTA results are mixed. The EVFTA is concluded, but European parliamentary vote awaits. The Indonesian FTA could be a bubble, based on image building instead of a true desire for free trade.

VII. Conclusion

This thesis analyses the effectivity of bi-regional EU RIS towards Indonesia and Vietnam in ASEAN in 2010-2015. My quantitative variables show that their positions and policies divert from the BS directives (*Table 7*). Therewith, the *process* (output) does not fully resemble the *project* (input). My conclusion outlines my major findings. Subsequently, I discuss these results and their implications. Finally, I conclude with recommendations to enhance RIS.

First, market integration partly follows EU directives. The ASEAN overall Trade/GDP ratio drops. Regional economic growth is to a lesser extent based on trade. Indonesia exemplifies this trend. Vietnam's ratio, on the contrary, is on the rise. Intra-ASEAN trade only slightly increased, despite the efforts of the EU and the ASEC. Indonesia developed disappointingly too. Its export growth is only minor and its imports are in decline. Therewith, Indonesia decreases its connection to ASEAN markets. For Vietnam, both intra-ASEAN imports and exports dropped. It prefers trade with further markets. Moreover, Vietnamese industries mostly assemble goods. Due to the low added value, these products are not considered 'Vietnamese' when traded. Both overall trade and intra-ASEAN trade policies deviate from the EU aims.

Investment into ASEAN rose, the new AEC enhanced the image of the region. Besides, intra-ASEAN investment is particularly growing, making ASEAN the biggest investor in itself. Indonesia strives to attract more FDI, with limited results. Despite its economic growth, a jumble of regulations still hinder investment. Its outgoing FDI is big, but does not target ASEAN. The Vietnamese government also spear points (external) FDI. With success: incoming FDI is rising. Furthermore, Vietnamese investment towards its CLMV-colleagues also increased slightly: an upcoming regional investor. A marginal note: the *equitisation* process still faces challenges. Concerning FDI, ASEAN follows the EU directives. Vietnam partially follows this trend, whereas Indonesia stays behind.

Second, policy integration only slightly increased. The AEC forms a promising framework for economic integration. Indonesia championed policy integration before, but Widodo chose an inward-looking course. His government favours a selective integration policy. This nationalistic policy eyes to strengthen Indonesian economic coherence and self-sufficiency. However, facing international competition would strengthen Indonesia and ASEAN in the long-run. Vietnam does exactly that. The country opens up towards the ASEAN markets and works to enhance its standards and development. Besides, after a problematic start, Vietnam unfolds as a pioneer of market integration and equal regional development.

Concerning FTAs, ASEAN actively diversifies its trade position by enlarging cooperation with its Dialogue partners. The AEC itself is – although not an FTA – a step in the right direction. Indonesia develops its trade position too. It has relatively much FTAs and started many new negotiations. Besides, it reintroduced the RCEP, appearing as a pioneer of free trade. Still, I see this proposal as image building. Indonesia favours domestic development, and only half-heartedly tries to diversify its trading position. Vietnam, on the contrary, truly opens up. It actively diversifies its trading position and works to raise its standards and competitive position. It has to, in order to diminish its connection to China.

Overall tariffs in ASEAN dropped drastically. Indonesia and Vietnam follow this ASEAN trend. Nevertheless, Indonesian tariffs are again slightly growing lately due to Widodo's course change. Besides, many tariffs have been replaced by NTMs, the regional Achilles heel. For ASEAN overall, NTMs are on the rise. Indonesia added many trade-regulating NTMs, verifying the political-economic hypothesis. The government uses harmful NTMs to hold grip on its market and protect the uncompetitive position of the Indonesian economy. The Vietnamese government also traditionally implemented a large number of NTMs. Now,

Vietnam opens up, for which it has to diminish its NTMs. Besides, the behaviour of the Vietnamese government follows the institutional economic hypothesis. The majority of its NTMs guard quality and safety standards (especially against China). Therewith, Vietnam partly follows the EU and BS directives, whereas Indonesian policy deviates.

Third, the market accessibility of ASEAN increased. The EU-ASEAN trade flow clearly grew. Trade with Indonesia trade is also on the rise, but does not yet match its economic potential. The Vietnamese trade flow is growing much faster. Exports to the EU are booming. For both nations, EU service exports grew slightly too. The EU-ASEAN cooperation, particularly following the programmes in the BS, enhanced. Beyond Brussels' marketing talks, I indeed recognize a growing connection between the two blocs. ARISE effectively assist the integration process. Especially technical assistance programs on environment, investment and customs were helpful. My interviewees acknowledge this, ranking EU-ASEAN cooperation in the BS with a seven average. Therewith, the bi-regional connection passed the quantitative test satisfactorily. Still, my ASEAN interlocutors were more enthusiastic than their European regional colleagues were. The visibility and workability of their efforts, both in the ASEAN region and in Brussels, explain this critique. Indeed, improvements are possible. Policy recommendations are therefore included at the end of this paper.

Finally the zenith of market access: the FTA. The EU is a stubborn negotiator. It follows a blueprint and does not bargain: the interlocutor has to adapt to (stricter) EU regulations and procurement clauses. This strictness benefits EU safety and quality standards. However, it also hampers the position of the EU as a trading partner. Its regional competitors are much more flexible. Poor and uncompetitive ASEAN countries are inclined to turn to them. Therewith, the stubborn stance can hurt the long-term EU position. With Indonesia, I foresee exactly these problems. Although Indonesia negotiates with the EU, chances of success are limited. The Indonesian government strives to diversify trade, but wants to keep its protective regulations. Furthermore, it denounces procurement. These stances clash. Vietnam, on the contrary, is more progressive. The EVFTA solely awaits approval of national European governments. Therewith, the problem here lies with the EU. Vietnam is ready to develop its standards and safeguard its position as a progressive ASEAN-economy. Thus, market accessibility towards ASEAN and my cases increased. Again, RIS towards Vietnam is more successful.

Thus, RIS towards ASEAN is partly effective. ASEAN follows the EU on some policy areas, but national courses differentiate. EU RIS is more effective for Vietnam than for Indonesia. Vietnam performed better on the quantitative variables, often above ASEAN average (*Table 7*). This substantive influence of domestic preferences shows that the increased market access and its positive stance towards integration depends on the willingness of the receiving country. Thus, Mattli's logic stands. Since Widodo's Indonesia prioritizes domestic development over regional integration, its *supply-side conditions* do not hold in reality (Mattli, 1999). Therewith, I have little hope for the EU-Indonesian FTA. The EU is an important partner for trade and technical assistance, but cannot (yet) convince the political establishment in Indonesia of the need for regional integration. For Indonesia, EU RIS is therefore generally ineffective.

Vietnam, on the contrary, follows the directives: the EU input and Vietnamese output generally resemble. This too depends on its domestic course. The country develops rapidly and opens up to the world market. My qualitative interviews underlined that the Vietnamese government truly eyes development and opening up towards international markets: it meets Mattli's conditions. The EU backs this process. Technical support and (former) financial support have proven largely effective to raise Vietnamese standards and development. The EVFTA is likely to concretise that success. For Vietnam, I conclude that EU RIS is generally effective.

Following the deviating development of my most-likely cases and the important role of domestic policy, I argue that the EU is not exactly a builder of regions. Still, this impact-assessment does not fully falsify my hypothesis. Beforehand, I expected a minor influence on the policy of my cases. However, even Indonesia follows the EU on some directives (*Table 6*). My conceptual model exposes the EU policy impact and my interviews applauded its contribution to the region. The expected (domestic) circumstances differed in reality, as pointed out above. RIS does have impact – although limited – on the regional integration process in ASEAN. Both my quantitative and qualitative sources highlight that even ASEAN most-likely cases selectively use the EU assistance. Indeed, even Indonesia has highly successful projects like FLEGT. RIS is more a missionary task: convincing ASEAN members of the need of (institutional) integration. Therewith, the EU is not a builder, but a contractor assisting the building project when hired. Regions are only makeable when its members agree. If a country is willing, EU RIS can effectively assist its development and integration process, as the Vietnamese case shows. Therefore, attention for these domestic conditions is of crucial importance. Further research in this area is required, both for academic purposes as for the EU policy makers, planning these grand strategies in Brussels. For that, I highly recommend interviews to grasp local developments and positions. My interviews particularly exposed these flaws in the workability of RIS. Furthermore, if relatively developed and willing ASEAN is this challenging, other regions will probably be more problematic. Still, the EU level of development again proved attractive for developing nations for knowledge transferal (as Vietnam shows). Further research of other bi-regional projects can address these issues. To attribute to the enhancement of EU RIS, I conclude this thesis with a short oversight of policy recommendations.

First, the forms of assistance should be evaluated. EU financial support backed ASEAN economic development, necessary for the needy ASEC and the CLMV-nations. Nevertheless, ASEAN will have to stand on its own feet one day. Real FDI instead of financial assistance would be better in the end. Therewith, ASEAN sources favoured technical assistance over direct financial support. Moreover, this financial support is often too much supply- instead of demand-based. It does not follow the needs of ASEAN, but political utility in Brussels.

The EU technical support, on the other hand, is very effective. My ASEAN sources underline the necessity of this project, as it enhances the possibilities of true ASEAN-based development. Still, this support also has its negative sides. Technical support is usually organised with EU or even Brussels-based knowledge and consultancy. Local representatives and academics are often cheaper and better adapted to local circumstances.

Second, the EU should mind its tone and focus. ASEAN political, diplomatic and business representatives regard the Brexit as a major disgrace. Besides, the EU promotes institutional integration following its own model. ASEAN policymakers, on the contrary, see the EU model solely as a point of inspiration. ASEAN will not follow the EU blueprint any time soon. It develops on its own pace, towards its own goals. The focus on collaboration with the ASEC is therefore especially inconvenient for effective bi-regional support. Logically, the EC regards the ASEC as its partner. However, this focal point has deficient financial means and power. The latter remained with the ASEAN-members. Therewith, the EU should focus more on the powerful states and governments to convince ASEAN of further integration, trade and investment.

In conclusion, EU bi-regional integration support proved partly effective. Market integration, especially following the EU model, is still meagre. Market accessibility improved - following domestic preferences. Despite the high-flown rhetoric and ambitious charters and frameworks, ASEAN integration develops slowly. The ASEC is a logical point of entry, but does not rule the roost. Therefore, bi-regional RIS should be a combination of different tailor-made national policies, embedded in the overall framework. Bilateral FTAs form an excellent example, sorting the willing from the unwilling or incapable. The local EU representations can and should play a bigger role in that process. Through this adaptive RIS, the EU can shape a strategic partner in a challenging region. Then, the EU will counsel a supported, integrated and adept ASEAN, instead of train a toothless tiger.

May 2017,

Joris Ramm

VIII. Bibliography

- Amer, R. (2015). *Vietnam ASEAN Relations: A Retrospective*. Nottingham: China Policy Institute Analysis (April). Accessed 20-3-2017, via: <https://cpianalysis.org/2015/04/14/vietnam-asean-relations-a-retrospective/>
- ASEAN Secretariat (2008). *The ASEAN Charter*. Jakarta: ASEC (January). Downloaded 24-10-2016, via: <http://asean.org/wp-content/uploads/images/archive/publications/ASEAN-Charter.pdf>
- ASEAN Secretariat (2015). *The ASEAN Economic Community: Blueprint 2015*. Jakarta: ASEC (November). Downloaded 10-10-2016, via: <http://www.asean.org/storage/images/2015/November/aec-page/AEC-Blueprint-2025-FINAL.pdf>
- ASEAN Statistics Division (2016). *ASEAN Statistical Database*. Jakarta: ASEAN Statistics Division (October). Accessed 19-4-2017, via: <http://asean.org/resource/statistics/asean-statistics/>
- Asia Regional Integration Center (2015). *Free Trade Agreements*. Manilla: Asian Development Bank. Accessed 13-2-2017, via: <https://aric.adb.org/fta-country>
- Bo, C. and Woo, Y. (2009). A Composite Index of Economic Integration in the Asia-Pacific Region. *Pacific Economic Cooperation Councils State of the Region Project*.

Vancouver (November). Downloaded 21-11-2016, via:

http://chenbo.weebly.com/uploads/8/1/5/7/8157623/measuring_economic_integration_in_the_asia-pacific_region_a_principal_components_approach.pdf

- Boeijs, H., Hox, J. and Hart, H. 't (2009). *Onderzoeksmethoden*. Purmerend: Boom.
- Burnham, P., Gilland, K., Grant, W. and Layton-Henry, Z. (2004). *Research Methods in Politics*. New York: Palgrave Macmillan.
- Camroux, D. (2008). The EU and ASEAN: Two to Tango? *Studies and Research Series* 65. Paris: Notre Europe (June). Downloaded 12-11-2016, via:
<http://www.institutdelors.eu/media/etude65eu-asean-en.pdf?pdf=ok>
- Capanelli, G., Lee, W., Petri, P. (2009). Developing Indicators for Regional Economic Integration and Cooperation. *ADB Working Paper Series on Regional Economic Integration* 9. Manilla: Asian Development Bank (September). Downloaded 20-12-2016, via: <https://www.adb.org/sites/default/files/publication/28507/wp33-developing-indicators-rei.pdf>
- CEIC (2017). *CEIC Statistical Database*. Singapore: CEIC. Accessed 16-4-2017, via <https://insights.ceicdata.com/insight/417d52e4-2b7f-48a7-bf79-1ac5a0ccf170/data>
- Clark, H. (2016). Between an Uncertain Duterte and Trump and a Powerful China, Vietnam sees Stability in ASEAN. *Huffington Post* 28-11-2016. Accessed 19-3-2017, via: http://www.huffingtonpost.com/entry/duterte-trump-china-vietnam-asean_us_58361b9ee4b09b6056002121.
- European External Action Service (2011). *Invigorating the EU-Indonesia Partnership: towards a Comprehensive Economic Partnership Agreement*. Jakarta: EEAS Delegation. Downloaded 12-12-2016, via:
http://trade.ec.europa.eu/doclib/docs/2011/july/tradoc_148063.pdf
- European External Action Service (2013). *Bandar Seri Begawan Plan of Action to Strengthen the ASEAN-EU Enhanced Partnership*. Brussels: EEAS. Downloaded 12-10-2016, via: https://eeas.europa.eu/headquarters/headquarters-homepage/3433/asean-eu-enhanced-partnership-action-plan_en
- European External Action Service (2013a). *EU-ASEAN: Natural Partners*. Jakarta: EEAS Delegation (June). Downloaded 12-10-2016, via:
http://eeas.europa.eu/archives/docs/asean/docs/eu_asean_natural_partners_en.pdf
- European External Action Service (2016). *Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union Common Foreign and Security Policy*. Brussels: EEAS (June). Downloaded 16-09-2016, via:
https://eeas.europa.eu/top_stories/pdf/eugs_review_web.pdf
- European External Action Service (2016a). *EU Projects within ASEAN*. Brussels: EEAS. Accessed 28-3-2017, via https://eeas.europa.eu/headquarters/headquarters-homepage_en/907/EU%20Projects%20with%20ASEAN
- European External Action Service (2016b). *Blue Book 2016 EU-Indonesian Development Cooperation in 2015*. Brussels: EEAS. Downloaded 22-2-2017, via
https://ec.europa.eu/europeaid/sites/devco/files/bluebook-eu-indonesia-cooperation-report-02052016_en.pdf

- European External Action Service (2017). *Vietnam and the EU*. Accessed 10-3-2017, via https://eeas.europa.eu/headquarters/headquarters-homepage/1897/vietnam-and-eu_en
- European Chamber of Commerce in Vietnam (2016). *Whitebook 2016*. Hanoi: Shu Media.
- European Community (2006). *Vietnam European Community Strategy Paper for the period 2007-2013*. Brussels: European Community. Downloaded 10-4-2017, via https://ec.europa.eu/europeaid/sites/devco/files/csp-vietnam-2007-2013_en.pdf
- European Commission (2015). *The EU and ASEAN: A Partnership with a Strategic Purpose*. Join 2015/22. Brussels: EC (May). Downloaded 12-2-2017, via: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=JOIN:2015:22:FIN&from=EN>
- European Commission (2016). *Action Document for ASEAN Regional Integration Support from the EU (ARISE Plus)*. Brussels: EC. Downloaded 13-4-2017 via: https://ec.europa.eu/europeaid/sites/devco/files/aap_financing_asia_region_part3_annex_1_20160805_en.pdf
- European Commission (2016a). *Indonesia: Trade Picture*. Brussels: EC (November). Accessed 26-11-2016, via: <http://ec.europa.eu/trade/policy/countries-and-regions/countries/indonesia/>
- European Commission (2017). *European Union, Trade in Goods with ASEAN*. Brussels: EC (May). Downloaded 4-5-2017, via http://trade.ec.europa.eu/doclib/docs/2006/september/tradoc_113471.pdf
- European Commission (2017a). *Trade: Market Accessibility Database*. Brussels: EC (May). Consulted 10-5-2017, via: <http://madb.europa.eu/madb/indexPubli.htm>
- European Commission (2017b). *European Union, Trade in Goods with Viet Nam*. Brussels: EC (May). Downloaded 3-5-2017, via <http://trade.ec.europa.eu/doclib/html/113463.htm>
- European Commission (2017c). *EU Proposal on Rules of Origin*. Brussels: EC (February). Downloaded 23-3-2017, via http://trade.ec.europa.eu/doclib/docs/2017/february/tradoc_155290.pdf
- European Council (2007). *Nuremberg Declaration on an EU-ASEAN Enhanced Partnership*. Brussels: European Council (March). Downloaded 15-2-2017, via: <https://www.consilium.europa.eu/uedocs/cmsUpload/070315-EU-Asean.pdf>
- European Council (2012). *Guidelines on the EUs Foreign and Security Policy in East Asia* 11492/12. Brussels: European Council (June). Downloaded 9-04-2017, via http://eeas.europa.eu/archives/docs/asia/docs/guidelines_eu_foreign_sec_pol_east_asia_en.pdf
- European Forest Institute (2014). *EU FLEGT Facility: Indonesia*. Accessed 15-4-2017, via: <http://www.euflegt.efi.int/es/indonesia>
- Fearon, J., Laitin, D. (2008). Integrating qualitative and quantitative methods. In Box-Steffensmeier, J., Brady, H., Collier, D. *The Oxford Handbook of Political Methodology* (pp. 645-684). Oxford: Oxford University.
- Foreign Trade Association (2016). *EU-Vietnam Trade Agreement*. *Insight* February 2016. Downloaded 5-5-2017, via: <http://www.fta->

intl.org/sites/default/files/FTA%20Insight%20-%20EU-Vietnam%20trade%20agreement%20-.pdf

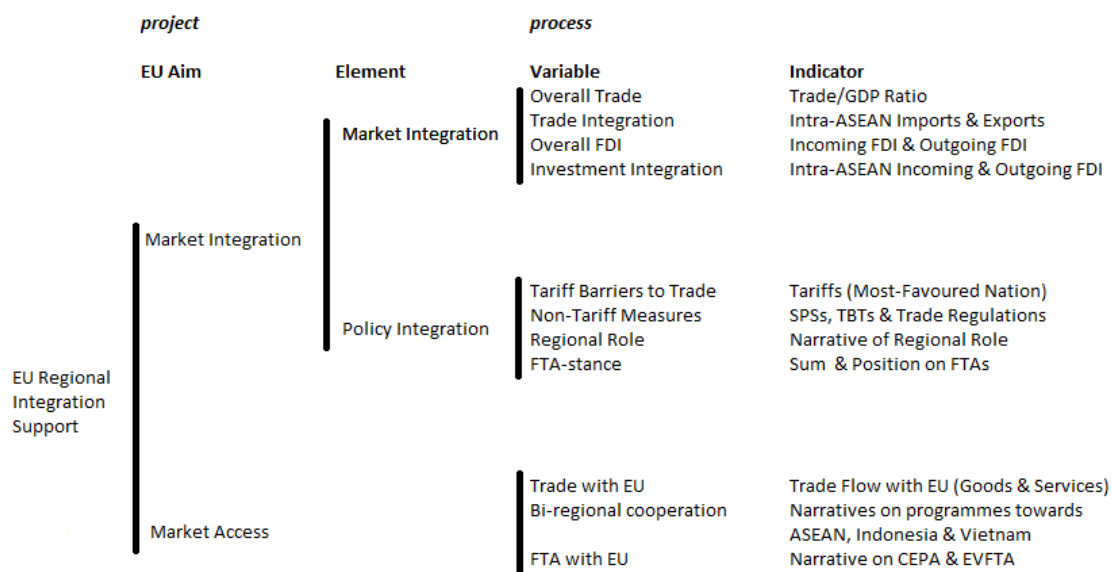
- Franzosi, R. (2004). Content Analysis. In Hardy, M., and Bryman, A. *Handbook of Data Analysis* (pp. 547-566). London: Sage.
- George, C., Iwanow, T., Kirkpatrick, C. (2009). EU Trade Strategy and Regionalism: Impact on developing partners. In Lombaerde, P. de, Schulz, M. *The EU and World Regionalism* (pp. 63-82). Farnham: Ashgate.
- Gerring, J. (2008). Case-selection for case-study analysis. In Box-Steffensmeier, J., Brady, H., Collier, D. *The Oxford Handbook of Political Methodology* (pp. 645-684). Oxford: Oxford University.
- Global Trade Alert (2017). *Database: Statistics for Implementing Jurisdiction*. Accessed 5-4-2017, via <http://www.globaltradealert.org/site-statistics>.
- Harding, B. and Merchant, S. (2016). Indonesia's Inward Turn. *The Diplomat* 8-16-2016. Accessed 26-04-2016, via <http://thediplomat.com/2016/12/indonesias-inward-turn/>
- Heiduk, F. (2016). Indonesia in ASEAN: Leadership between Ambition and Ambiguity. *SWP Research Paper* 6. Berlin (April). Downloaded 10-11-2016, via: http://www.ssoar.info/ssoar/bitstream/handle/document/46859/ssoar-2016-heiduk-Indonesia_in_ASEAN_regional_leadership.pdf?sequence=1
- Huelser, S. and Heal, A. (2014). Moving Freely? Labour Mobility in ASEAN. *Policy Brief* 40. Bangkok: Asia-Pacific Research and Training Network on Trade. Downloaded 8-10-2016, via: <http://artnet.unescap.org/pub/polbrief40.pdf>
- Hwee, W. and Mirza, H. (2015). *ASEAN Investment Report 2015: Infrastructure Investment and Connectivity*. Jakarta: ASEAN Secretariat (November). Downloaded 20-11-2016, via: <http://asean.org/storage/2016/09/ASEAN-Investment-report-2015.pdf>
- Hwee, W. and Mirza, H. (2016). *ASEAN Investment Report 2016: Foreign Direct Investments and MSME Linkages*. Jakarta: ASEAN Secretariat (November). Downloaded 13-03-2017, via: <http://asean.org/storage/2016/09/ASEAN-Investment-Report-2016.pdf>
- Ing, L.Y., Fernandez de Cordoba, S. and Cadot, O. (2016). *Non-Tariff Measures in ASEAN*. Jakarta: Economic Research Institute for ASEAN and East Asia (April). Downloaded 20-2-2017, via http://www.eria.org/publications/key_reports/FY2015/No.01.html
- Jetschke, A. (2013). Regional Integration Support by the EU in Asia: Aims and Prospects. In Christiansen, T., Kirchner, E. and Murray P. *The Palgrave Handbook of EU-Asia Relations* (pp. 226-243). New York: Palgrave Macmillan.
- Jones, L. (2016). Explaining the Failure of the ASEAN Economic Community: the Primacy of Domestic Political Economy. *The Pacific Review* 29:5 (pp. 647-670).
- Juncker, J. (2016). *State of the Union*. Brussels: EC (September). Downloaded 12-10-2016, via: http://europa.eu/rapid/press-release_SPEECH-16-3043_en.htm
- Kubo, H. (2013). EU-Asia Trade Relations. In Christiansen, T., Kirchner, E. and Murray P. *The Palgrave Handbook of EU-Asia Relations* (pp. 247-262). New York: Palgrave Macmillan.

- Langenhove, L., van (2016). *Building Regions. The Regionalization of the World Order*. Farnham: Ashgate.
- Laursen, F. (2016). *The EU and the Eurozone Crisis*. Oxford: Taylor and Francis.
- Lee, R. and Fielding, N. (2004). Tools for Qualitative Data Analysis. In Hardy, M. and Bryman, A. *Handbook of Data Analysis* (pp. 529-546). London: Sage.
- Leech, B. (2002). Asking Questions: Techniques for Semi structured Interviews. *Political Science and Politics* 35:4 (pp. 665-668).
- Lombaerde, P., de, Schulz, M. (2009). *The EU and World Regionalism*. Farnham: Ashgate.
- Manea, M. (2013). The institutional dimension of the EU-ASEAN/ASEAN Plus Three Inter-regional relations. In Christiansen, T., Kirchner, E. and Murray P. *The Palgrave Handbook of EU-Asia Relations* (pp. 313-329). New York: Palgrave Macmillan.
- Mattli, W. (1999). *The Logic of Regional Integration: Europe and Beyond*. Cambridge: Cambridge University.
- Murray, P., Warleigh-Lack, A. (2013). Europe-Asia Studies: The contribution of Comparative Regional Integration. In Christiansen, T., Kirchner, E. and Murray P. *The Palgrave Handbook of EU-Asia Relations* (pp. 108-123). New York: Palgrave Macmillan.
- MUTRAP (2017). *European Trade Policy and Investment Support Project*. Accessed 15-4-2017, via: <http://mutrap.org.vn/index.php/en/about-eu-mutrap-2>.
- Nye, J. (1968). *International Regionalism*. Boston: Little and Brown.
- Oatley, T. (2008). *International Political Economy: Interests and Institutions in the Global Economy*. New York: Pearson.
- Owen, N. (2016). Roll Out the Welcome Mat. *The Economist* 25-02-2016. Accessed 19-4-2017, via <http://www.economist.com/news/special-report/21693405-secure-growth-it-needs-indonesia-must-resist-its-protectionist-urges-roll-out>
- Panda, A. (2017). Trump Killed TTP. What's next for trade in Asia? *The Diplomat* (January). Accessed 26-4-2017, via <http://thediplomat.com/2017/01/trump-killed-tpp-whats-next-for-trade-in-asia/>
- Park, C. (2015). *Assessment of Power Sector Reforms in Viet Nam. A Country Report*. Manilla: Asian Development Bank. Downloaded 3-3-2017, via: <https://www.adb.org/sites/default/files/institutional-document/173769/vie-power-sector-reforms.pdf>
- Patunru, A. and Rahardja, S. (2015). Trade Protectionism in Indonesia: Bad times and Bad Policy. Sydney: Lowy Institute for International Policy. Downloaded 3-1-2016, via: <https://www.lowyinstitute.org/publications/trade-protectionism-indonesia-bad-times-and-bad-policy>
- Petersen, T. (2004). Analyzing Panel Data: Fixed- and Random-Effects Models. In Hardy, M., and Bryman, A. *Handbook of Data Analysis* (pp. 331-3346). London: Sage.
- Ramm, J. (2016). *The EU: a supporter of regional integration to no avail? An Ethiopian case study*. Unpublished paper. Brussels: Vrije Universiteit Brussel.
- Ramm, J. (2017). *The EU: a supporter of regional integration to no avail? An Indonesian case study*. Unpublished paper. Brussels: Vrije Universiteit Brussel.

- Ramm, J. (2017a). *Regional integration support in the Global Strategy. A promising priority for a roadmap towards EU increased influence*. Unpublished paper. Brussels: Kent University Brussels.
- Rathbun, B. (2008). Interviewing and Qualitative Field Methods: Pragmaticism and Practicalities. In Box-Steffensmeier, J., Brady, H., Collier, D. *The Oxford Handbook of Political Methodology* (pp. 645-684). Oxford: Oxford University.
- Rihoux, B. (2008). Interviewing and Qualitative Field Methods: Pragmaticism and Practicalities. In Box-Steffensmeier, J., Brady, H., Collier, D. *The Oxford Handbook of Political Methodology* (pp. 645-684). Oxford: Oxford University.
- Ritchie, J. and Spencer, L. (1994). Qualitative Data Analysis for Applied Policy Research. In Bryman, A. and Burgess, R. *Analyzing Qualitative Data* (pp. 173-94). London: Sage.
- Ritchie, J., Spencer, L. and 'O Connor, W. (2003). Analysis: Practices, Principals and Processes. In, Ritchie, J. and Spencer, L. *Qualitative Research Practice* (pp. 199-218). London: Sage.
- Sally, R. (2010). Regional Economic Integration in Asia: the Track Record and Prospects, *ECIPE Occasional Paper 2*. Brussels: ECIPE (April). Downloaded 22-12-2016, via: <http://www.ecipe.org/app/uploads/2014/12/regional-economic-integration-in-asia-the-track-record-and-prospects.pdf>
- Smith, H. (2002). *European Union Foreign Policy. What it is and what it does*. London: Pluto Press.
- Smith, K. (2003). *European Union Foreign Policy in a Changing World*. Cambridge: Polity Press.
- St. Aubyn, M., Pina, A., Garcia, F., and Pais, J. (2009). Study on the efficiency and effectiveness of public spending on tertiary education, *European Economy: Economic Papers* 390. Brussels: Directorate-General for Financial and Economic Affairs. Downloaded 24-12-2016, via: http://ec.europa.eu/economy_finance/publications/pages/publication16267_en.pdf
- Telò, M. (2007). *European Union and New Regionalism*. Farnham: Ashgate.
- Thanh, V.T., Duong, N.A., Minh, T.B. (2016). Non-tariff Measures in Viet Nam. In Ing, L.Y., Fernandez de Cordoba, S. and Cadot, O. (2016). *Non-Tariff Measures in ASEAN* (p. 155-168). Downloaded 20-2-2017, via http://www.eria.org/publications/key_reports/FY2015/No.01.html.
- Tuma, N. (2004). Modeling Change. In Hardy, M., and Bryman, A. *Handbook of Data Analysis* (pp. 309-330). London: Sage.
- United Nations Conference on Trade and Development (2012). *Classification of Non-Tariff Measures*. New York: UNCTAD. Accessed 19-10-2016, via <http://unctad.org/en/Pages/DITC/Trade-Analysis/Non-Tariff-Measures/NTMs-Classification.aspx>
- United Nations Conference on Trade and Development (2017). *UNCTAD Database*. New York: UNCTAD. Accessed 2-1-2017, via: <http://unctadstat.unctad.org/wds/ReportFolders/reportFolders.aspx>

- World Integrated Trade Solution (2017). *World Integrated Trade Solution Database*. Washington DC: World Bank. Accessed 21-2-2017, via: <http://wits.worldbank.org/analyticaldata/analyticaldata.aspx>
- World Bank (2017). *Database*. Washington DC: World Bank. Accessed 10-3-2017, via: <http://data.worldbank.org/indicator/NE.TRD.GNFS.ZS>
- World Bank (2017a). *Doing Business 2017: Equal Opportunity for All. Economy Profile 2017: Indonesia*. Washington DC: World Bank. Downloaded 10-4-2017, via: http://www.doingbusiness.org/~/_media/wbg/doingbusiness/documents/profiles/country/idn.pdf
- World Bank (2017b). *Doing Business 2017: Equal Opportunity for All. Economy Profile 2017: Vietnam*. Washington DC: World Bank. Downloaded 10-4-2017, via: http://www.doingbusiness.org/~/_media/wbg/doingbusiness/documents/profiles/country/vnm.pdf
- Zveglic, J.E. and Laviña, E. (2016). *Asian Development Outlook 2016: Asia's Potential Growth*. Manilla: Asian Development Bank. Downloaded 3-1-2017, via: <https://www.adb.org/sites/default/files/publication/182221/ado2016.pdf>

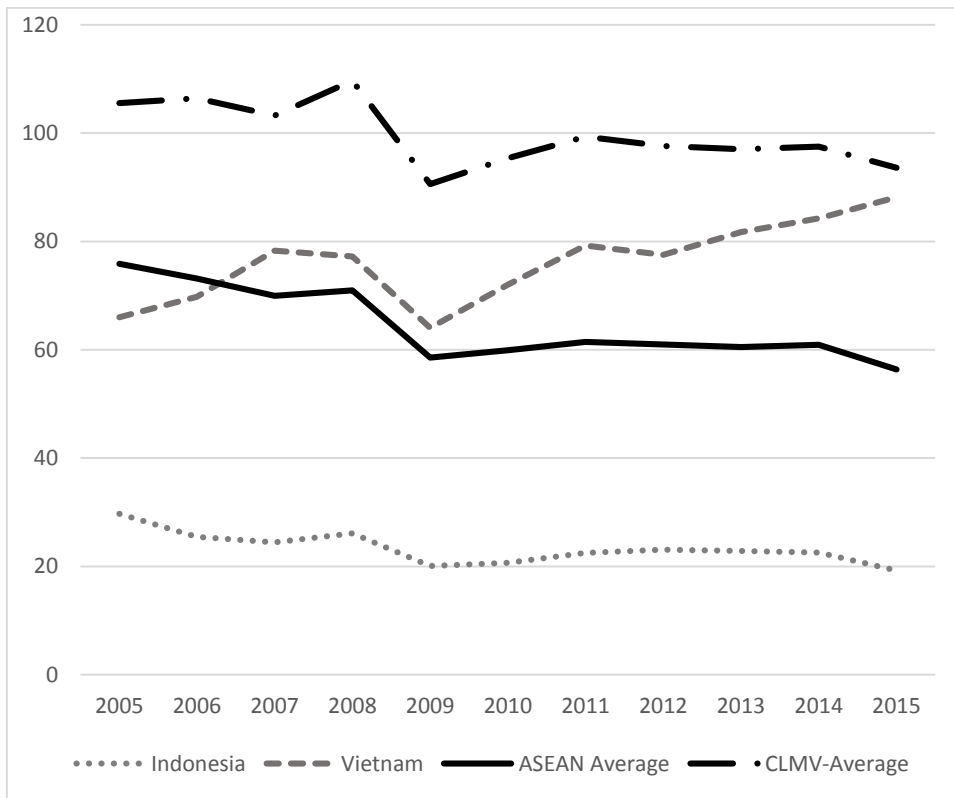
IX. Appendix



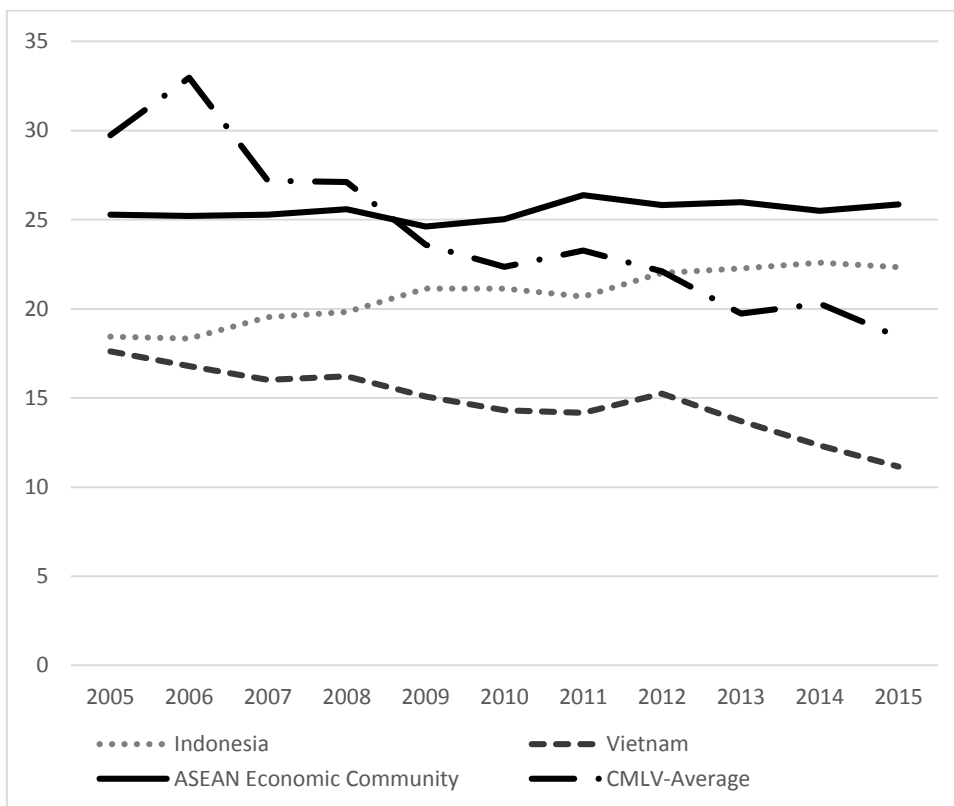
Matrix 1. Oversight of the aims of EU RIS, divided over variables and their indicators. *Source:* Capanneli et al., 2009 and Bo and Woo, 2009.

Variable	Article	Purpose	Aim	Instrument	Indicator
Market Integration	2.1.1 and 2.1.4	Further market integration by trade	Connect markets and create a free flow of goods	ARISE and AEC Blueprint	<ul style="list-style-type: none"> - Trade/GDP ratio - Intraregional trade
Market Integration	2.1.4 and 2.2.2.	Further market integration by investment	Growth in intraregional FDI	ARISE, EU-ASEAN Trade and Investment Work Programme	<ul style="list-style-type: none"> - FDI - Intraregional FDI
Policy Integration	2.1.4, 2.2.3 and 4.2	Enhanced policy integration	Create free flow of goods	Strengthen ASEAN Secretariat to enhance AEC Blueprint to lower trade barriers	Trade Tariffs
Policy Integration	2.2.3 and 2.2.6	Smoothing trade	Enhancing convergence of non-tariff measures	Technical EU assistance to standards and conformity	NTMs: TBT and SPS
Policy Integration	2.2.1	Effective FTA	Create an ASEAN-EU FTA	Enhance effectivity of ASEAN FTA and AEC	Success of the AFTA and AEC
Policy integration	2.1.2.and 2.2.2	Strengthen intra- and interregional dialogue	Continuity in consulting platforms	Progressive consultancy within ASEAN platforms	Narrative of the ASEAN regional dialogue and Indonesian Vietnamese role
Market Access	2.1.8, 2.2.1, 2.2.3., 2.2.6, 2.2.7, 2.2.8	Enhance the accessibility of the ASEAN market	Enlarge and smoothen the trade flow with the EU	FTA with the EU, assistance programme on standardization	<ul style="list-style-type: none"> - Trade flow with the EU - Cooperation with EU - EVFTA, CEPA

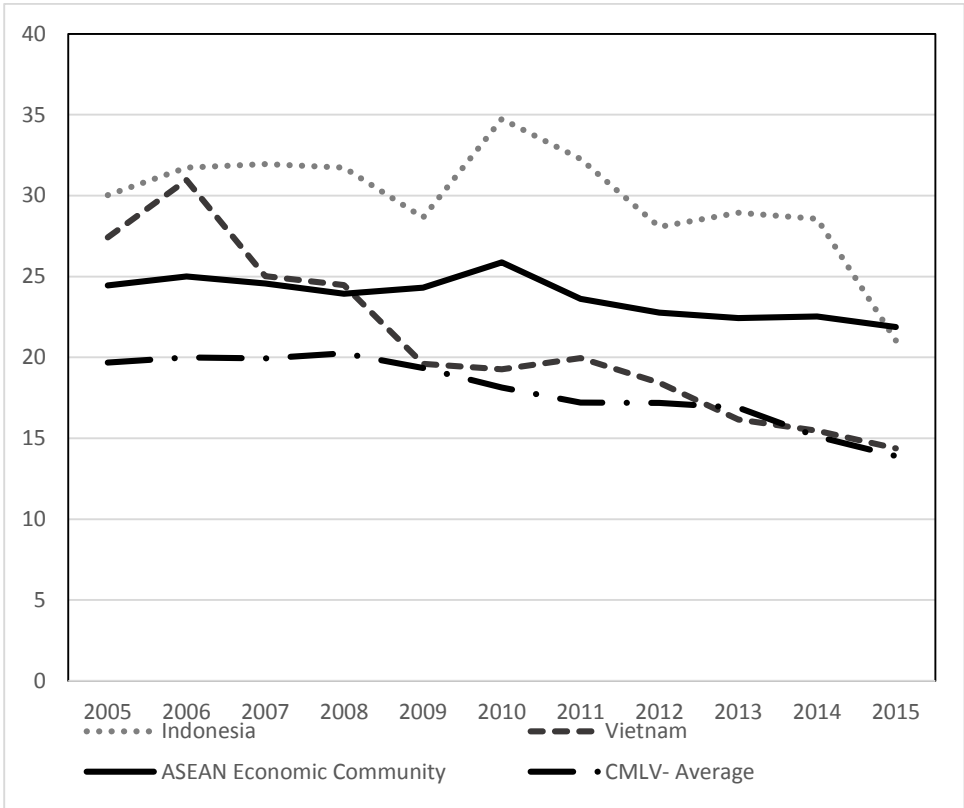
Table 1. The BS directives divided over market integration, policy integration and market access variables. *Source: EEAS, 2013, Ramm, 2017 and Ramm, 2017a.*



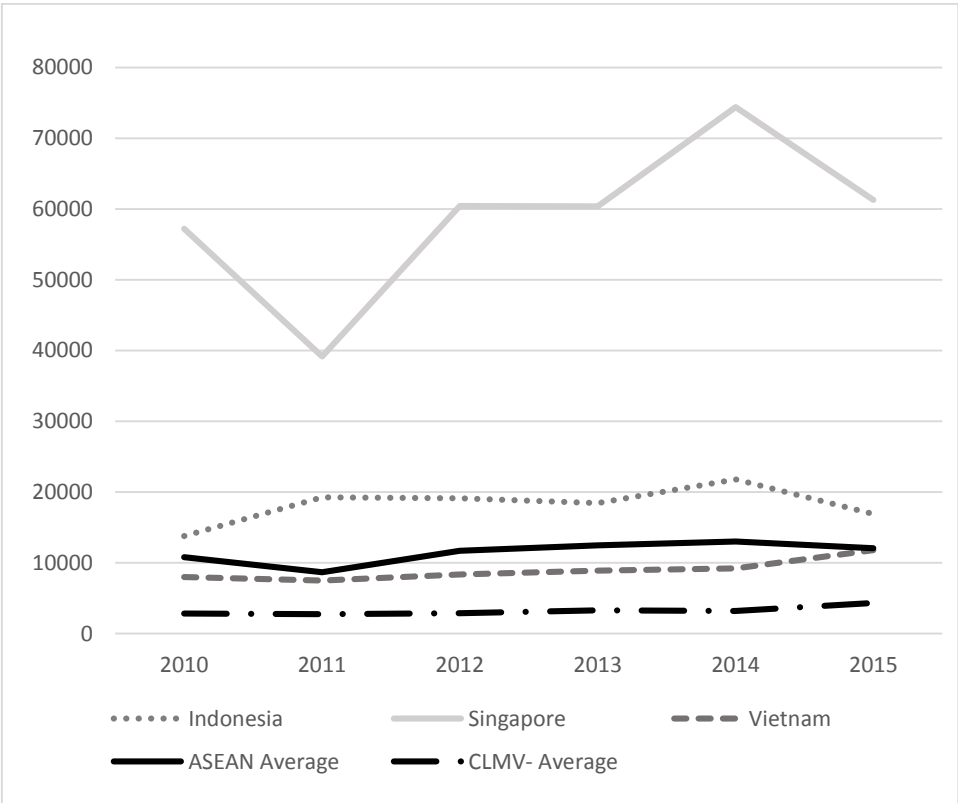
Graph 1. ASEAN Trade/GDP ratio 2005-2015 (% of total trade). Source: UNCTAD, 2017 and World Bank, 2017.



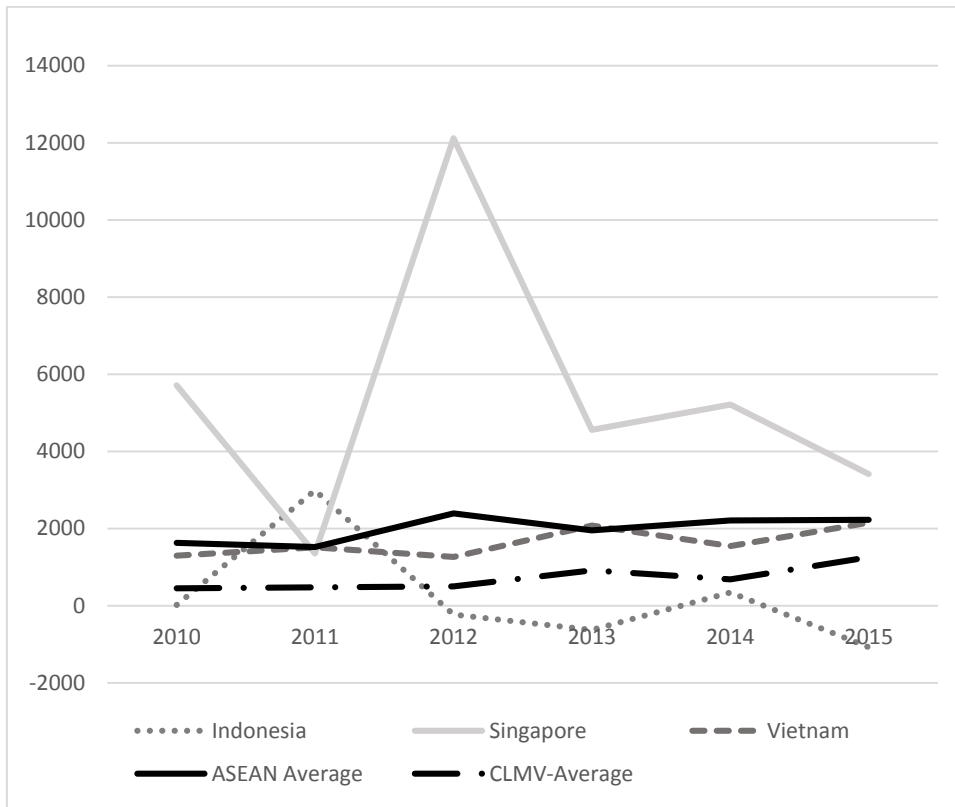
Graph 2. Intra-ASEAN exports 2005-2015 (% of total exports). Source: UNCTAD, 2017.



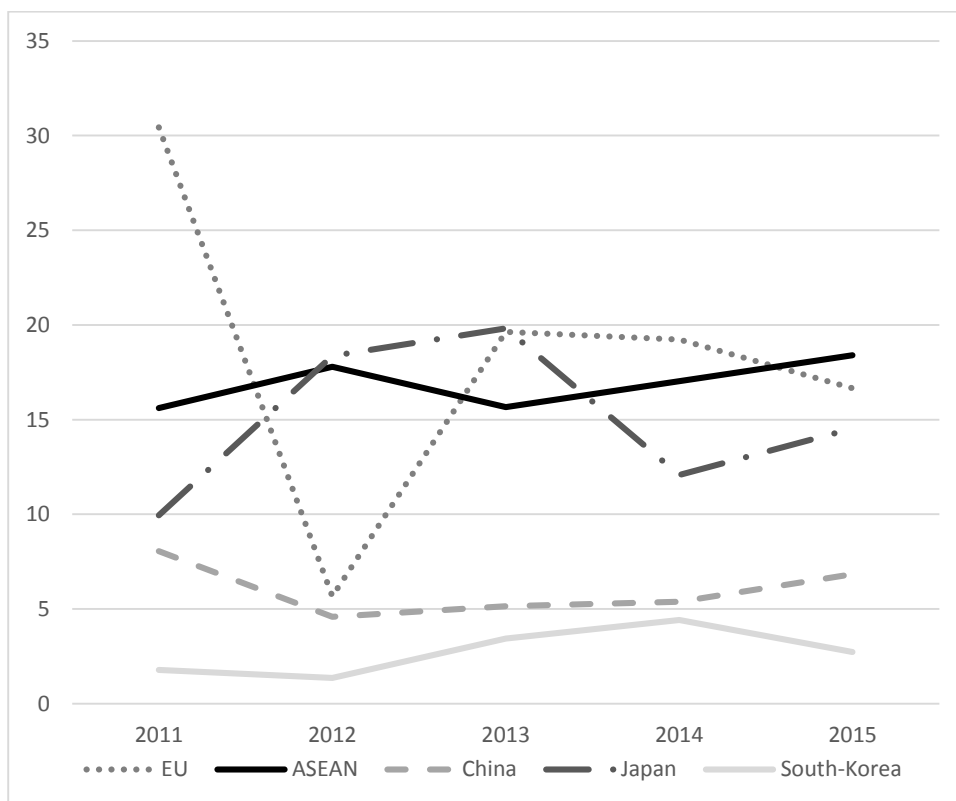
Graph 3. Intra-ASEAN imports 2005-2015 (% of total imports). Source: UNCTAD, 2017.



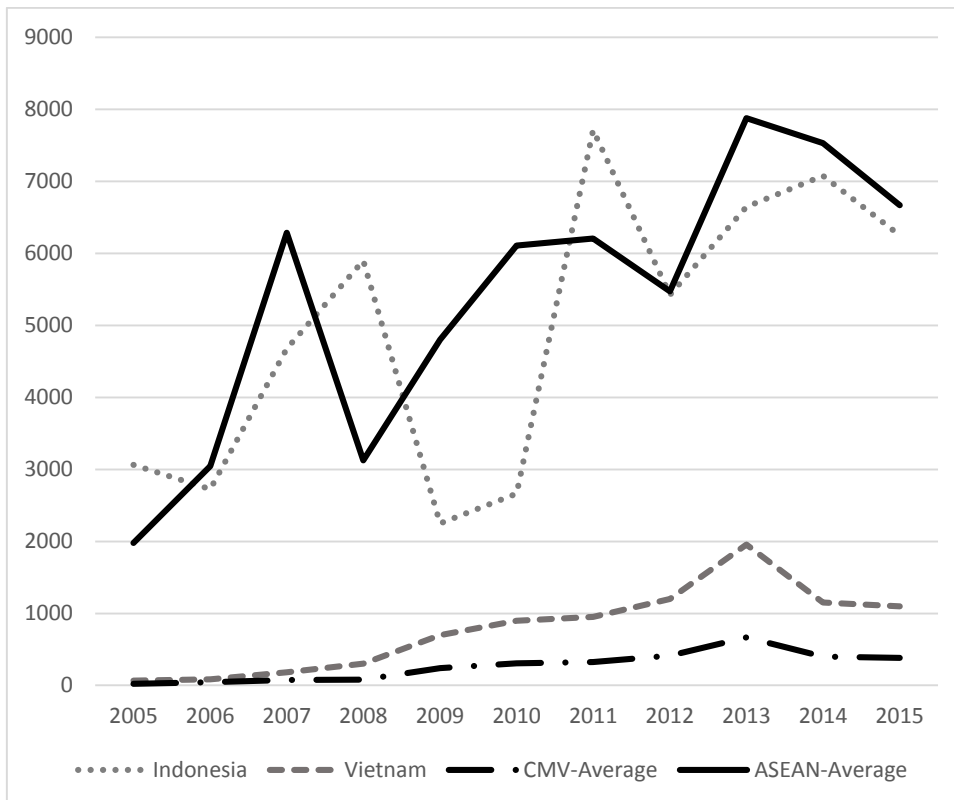
Graph 4. Overall FDI in ASEAN 2011-2015, country and averages (US \$ millions). Source: CEIC, 2017.



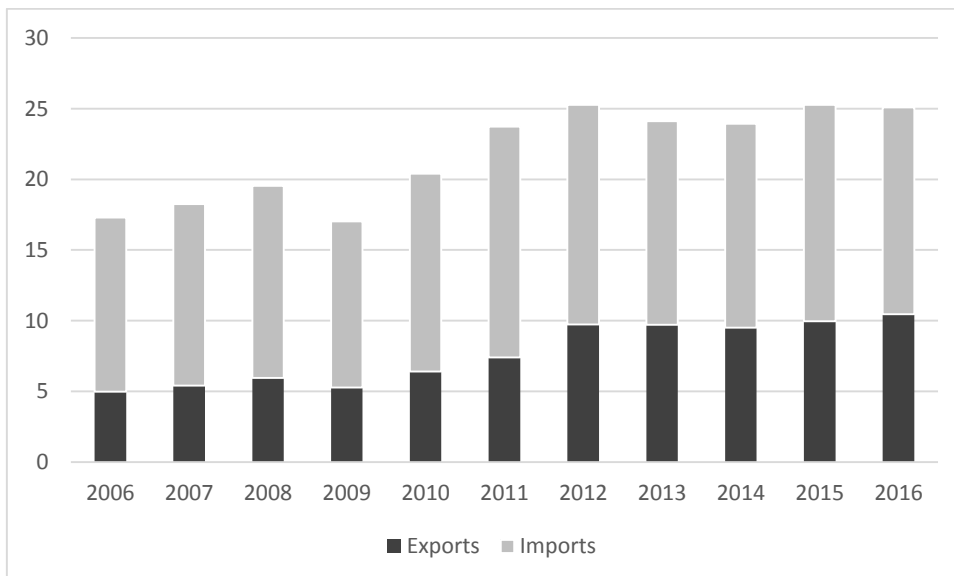
Graph 5. Intra-ASEAN FDI 2010-2015 (US \$ millions). Source: CEIC, 2017.



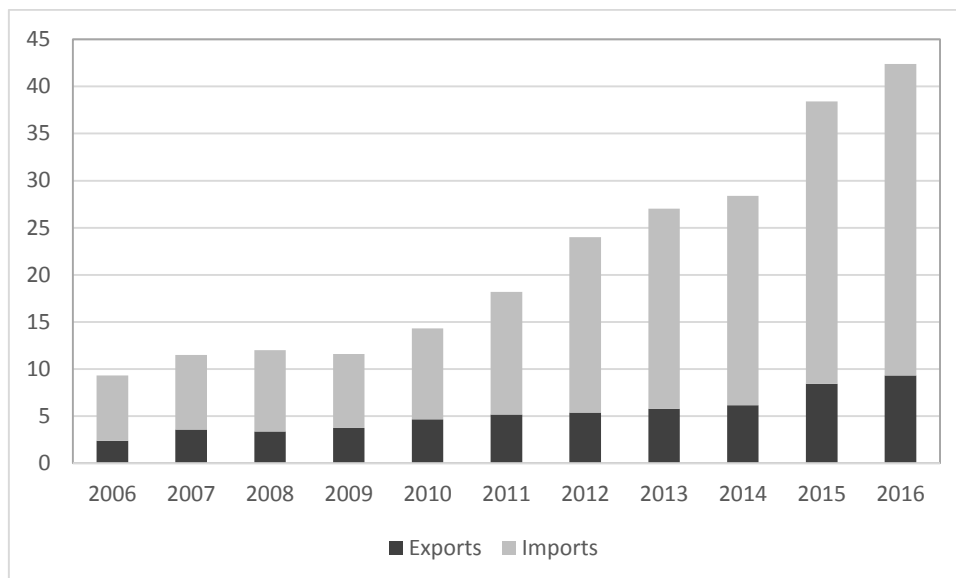
Graph 6. Largest investors in ASEAN 2011-2015 (US \$ billions). Source: ASEAN Statistics Division, 2016.



Graph 7. FDI Outflow of selected countries 2005-2015 (US \$ millions). Source: UNCTAD, 2017.



Graph 8. Trade flow of the EU and Indonesia 2006-2016 (Millions of €). Source: EU Commission, 2016a.



Graph 9. Trade flow of the EU and Vietnam 2006-2016 (Millions of €). Source: EU Commission, 2017b and Ramm, 2017a.

Overall NTMs per category	ASEAN Average	Cambodia	Indonesia	Malaysia	Singapore	Thailand	Vietnam
Total NTMs	598	234	638	713	529	1630	379
Coverage (%)	85	100	75	69	100	100	100
SPSs (%)	29	15	20	36	24	48	37
TBTs (%)	43	50	51	47	59	34	37
Trade regulations (%)	16	29	20	10	9	8	17
Others (%)	12	7	18	7	7	9	8

Table 2. Total number of NTMs in ASEAN per category. Source: Ing et al., 2016.

NTM per (relevant) Category ⁸	ASEAN Average	Cambodia	Indonesia	Malaysia	Thailand	Singapore	Vietnam
State Aid	4	1	21	5	3	6	6
Export restriction	4	1	26	2	1	0	9
Import tariff	5	0	17	4	2	2	25
Investment measure	4	0	23	4	4	4	9
NTB (not defined otherwise)	5	0	32	7	1	1	9
SPS	0	0	3	0	0	0	4
Total	34	2	172	30	30	23	69

Table 3. Actual harmful NTMs in ASEAN. Source: Global Trade Alert, 2017 and Ramm, 2017a.

⁸ The Philippines implemented restrictions on trade defence (absent from table), just like Thailand and Singapore.

Country	Number of FTAs
ASEAN-Average	16
CLMV-Average	11
Indonesia	17
Singapore	33
Vietnam	16

Table 4. FTAs per selected country. Source: Asian Development Bank, 2015.

Category	Elaboration	Number of Interviewees	Geographical Location	Average perception of EU-ASEAN cooperation (1-10)
EU Brussels representative	EU Diplomats and representatives, based in Brussels	8	Brussels	-
EU regional representative	EU Diplomats and representatives, based in the ASEAN-region	3	ASEAN-region	6,8
ASEAN representative	ASEAN diplomats and representatives	2	Jakarta	7
Independent International Representative	Representatives for international organisations	2	Jakarta, Rome	-
National representatives ASEAN region	Diplomats, policy makers and representatives of Indonesia and Vietnam	6	Brussels and ASEAN-region	7,5
National representatives EU	European diplomats	2	ASEAN-region	6,5
ASEAN Business Representatives	ASEAN Importers and exporters, Multinational Corporation representatives	5	Brussels, Jakarta, Hanoi and Singapore	8
EU Business Representatives	European Business Chamber representatives, MNC representatives	5	Brussels, Singapore and Hanoi	6
ASEAN Academics	ASEAN Researchers and think tankers	5	Brussels, Jakarta, Hanoi, and Singapore	7
EU Academics	European Researchers and think tankers	2	Brussels	-

Table 5. Interlocutors in different professional categories.

Interviewee Number	Function	Category	Location	Period
1	EEAS representative for African Union	EU Brussels representative	Brussels	December 2016
2	EU Parliament representative for ASEAN-region	EU Brussels representative	Brussels	January 2017
3	EEAS representative for ASEAN-region	EU Brussels representative	Brussels	January 2017
4	EEAS representative for ASEAN-region	EU Brussels representative	Brussels	January 2017
5	Vietnamese representative in EU	National representative ASEAN region	Brussels	January 2017
6	EU Academic	EU Academic	Brussels	January 2017

7	EEAS representative for ASEAN-region	EU Brussels Representative	Brussels	February 2017
8	Indonesian representative in EU	National representative ASEAN region	Brussels	February 2017
9	DG Trade representative for ASEAN	EU Brussels representative	Brussels	February 2017
10	DG DevCo representative for ASEAN	EU Brussels representative	Brussels	February 2017
11	EEAS Representative for ASEAN-region	EU Regional representative	Jakarta	February 2017
12	ASEAN-representative for regional integration	ASEAN Regional representative	Jakarta	February 2017
13	ASEAN-representative towards EU	ASEAN Regional representative	Jakarta	February 2017
14	European representative for Indonesia	National representative EU	Jakarta	February 2017
15	ASEAN Academic	ASEAN Academic	Jakarta	February 2017
16	Indonesian business representative	ASEAN Business representative	Jakarta	February 2017
17	ASEAN Academic	ASEAN Academic	Jakarta	February 2017
18	ASEAN Academic	ASEAN Academic	Jakarta	February 2017
19	Indonesian government representative	National representative ASEAN region	Jakarta	February 2017
20	Indonesian government representative	National representative ASEAN region	Jakarta	February 2017
21	Indonesian government representative	National representative ASEAN region	Jakarta	February 2017
22	Indonesian business representative	ASEAN Business representative	Jakarta	February 2017
23	EU business representative	EU Business representative	Singapore	February 2017
24	ASEAN Academic	ASEAN Academic	Singapore	February 2017
25	ASEAN Academic	ASEAN Academic	Singapore	February 2017
26	EU MNC representative	EU Business representative	Singapore	February 2017
27	EU MNC representative	EU Business representative	Singapore	February 2017
28	EU representative for Vietnam	EU Regional representative	Hanoi	February 2017

29	Vietnamese business representative	ASEAN Business representative	Hanoi	February 2017
30	Vietnamese government representative	National representative ASEAN region	Hanoi	February 2017
31	EU business representative	EU Business representative	Hanoi	February 2017
32	European representative for Vietnam	National representative EU region	Hanoi	February 2017
33	Vietnamese business representative	ASEAN Business representative	Ho Chi Minh (Skype)	February 2017
34	Vietnamese business representative	ASEAN Business representative	Hanoi	February 2017
35	EU MNC representative	EU Business representative	Brussels	March 2017
36	EU Parliament representative	EU Brussels representative	Brussels	April 2017
37	EU Academic	EU Academic	Brussels	April 2017
38	FAO representative	International representative	Jakarta (Skype)	April 2017
39	Former-EU representative for ASEAN	EU regional representative	Amsterdam	May 2017
40	Cor Unum Representative	International representative	Rome	May 2017

Table 6. Oversight of Interlocutors.

Variable of Regional Integration	ASEAN Average	Indonesia	Vietnam
Trade/GDP Ratio	-	+/-	+
Intra-regional trade	+/-	+/-	-
FDI	+	+/-	+/-
Role in regional dialogue	+/-	-	+
FTA activities	+	+/-	+
Tariffs	+	+/-	+
NTMs	-	-	+/-
Trade flow with EU	+	+/-	+
Technical cooperation with the EU	+	+	+/-
FTA with EU	-	+/-	+

Table 7. Performance of Indonesia and Vietnam on variables of regional integration.