Clingendael
Netherlands Institute of International Relations

ASIA-EUROPE FOUNDATION

ASEF Expert Webinar Series

Post-Pandemic Socio-Economic Recovery Efforts

Webinar #1 – How Do We Build More Resilient and Connected Societies?

Friday, 9 April 2021

CONNECTIVITY IN ASEM: RISE…FALL…AND UP AGAIN?

EXPLORING ASEM SUSTAINABLE CONNECTIVITY

What brings Asia and Europe together?

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ASEM Report, June 2018

Connectivity in ASEM: 2014 - 2018

Advancing connectivity in ASEM

The Asia-Europe Meeting (ASEM) is an intergovernmental process to foster dialogue and cooperation between Asia and Europe. Presently it brings together 51 countries from Europe and Asia, plus the EU and the ASEAN Secretariat.

Since the 10th ASEM Summit in October 2014, ASEM set out to enhance Europe-Asia connectivity to further economic prosperity and sustainable development. ASEM connectivity is about physical infrastructure, institutional linkages and people-to-people ties. It covers all the three pillars of ASEM: economic, political and sociocultural.

Host countries	Official meetings
39	**132**
44 Outreach activities	**2** Summits

Main Topics number of activities

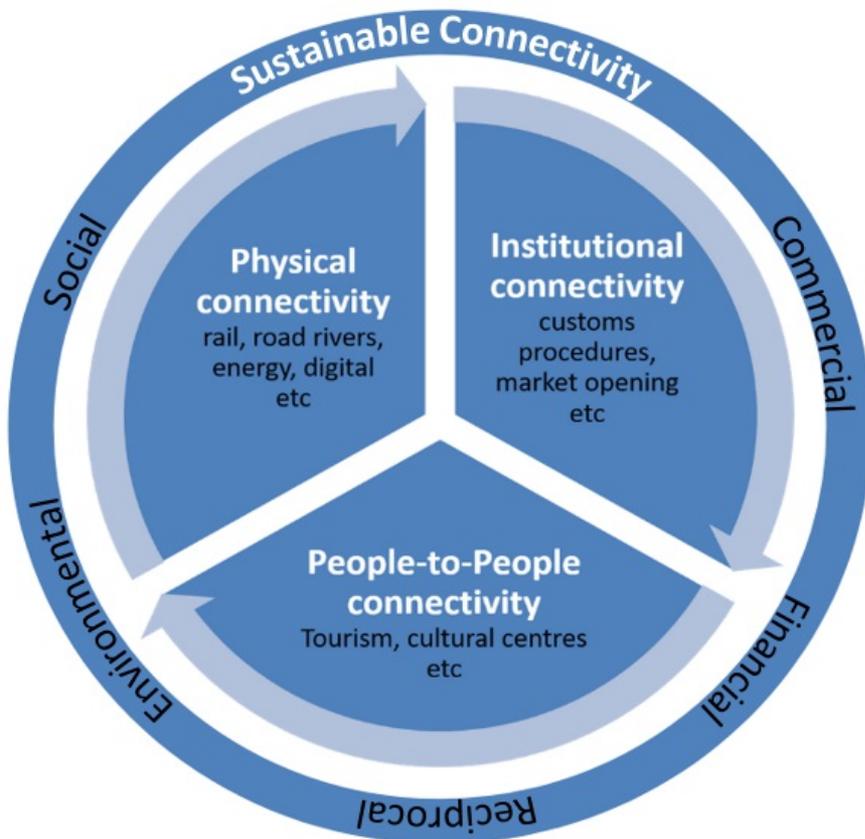| 33 Trade and Economic cooperation	27 Education and Research	23 Sustainable development	9 Culture and Tourism	10 Transport	8 Human Rights and Development	8 ICT/ Digital / Technology

Source: ASEM Connectivity Inventory, June 2018.

Simmering connectivity conflict...can ASEM prove its worth?

Competing propositions:
- ✓ 2010: ASEAN Master Plan on Connectivity
- ✓ 2013: Belt and Road Initiative (BRI) – China
- ✓ 2015: (Expanded) Partnerships for Quality Infrastructure – Japan
- ✓ 2016: Free and Open Indo-Pacific (FOIP) – Japan, India US, Australia
- ✓ 2018: Sustainable Connectivity – EU

Connectivity in ASEM:
- ❖ 2014: start of discussions on connectivity
- ❖ 2016: ASEM Pathfinder Group on Connectivity (APGC) established
- ❖ 2018: ASEM Sustainable Connectivity

Tangible Areas of Cooperation (TACC, 2018):
1. Sustainable connectivity
2. Future connectivity → digital connectivity
3. Trade and investment connectivity
4. People-to-people connectivity
5. Security challenges linked to connectivity

Focus digital connectivity: the next great game
4th industrial revolution + shifting power balances = hardening US-China *trade-tech-data* conflict
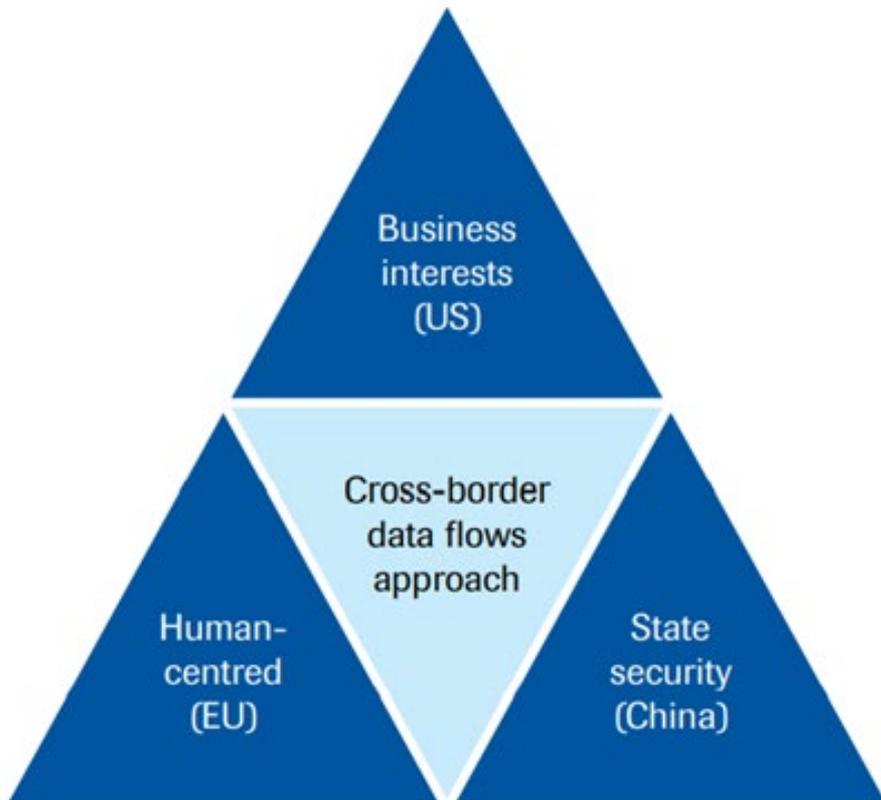

e-commerce, data-protection (personal and non-personal), data governance

Standards and Rules

Regulation

(problem solving) business operations: e-commerce, e-payment, smart cities

Business — **Innovation and AI**

Telecommunications infrastructure

(submarine) cables, satellites, 5G networks and cloud computing

Cyber Security

…stalling of progress in ASEM context…

Source: Okano-Heijmans, July 2019.

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Many ASEM members 'crunched'?
Key issues and challenges for ASEM members in post-pandemic socio-economic recovery

Source: Clingendael Report 2020.

Key issues/objectives:
- ✓ vibrant and resilient digital economies
- ✓ an open, transparent and inclusive digital domain
- ✓ digitally skilled citizens, digital rights and principles
- ✓ standardization of new technology applications, data privacy and cross-border data flows
- ✓ cyber security

Challenge = diverging approaches
US' surveillance capitalism
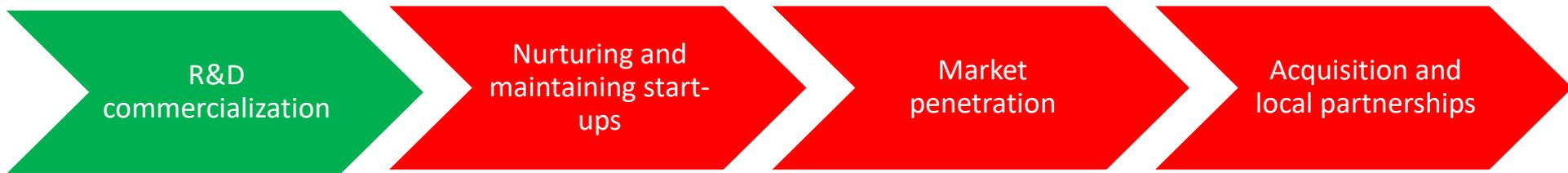vs. Chinese state surveillance
vs. EU & Japan: 'human-centered' approach

ASEM's role in digital connectivity (1)
facilitate dialogue…
between governments, and govts with Big/small Tech

(Big) Tech companies: = online platforms / e-commerce companies

→ aim for market presence and market share in the digital economy

| R&D commercialization | Nurturing and maintaining start-ups | Market penetration | Acquisition and local partnerships |

- ✓ 'platform fairness': a level-playing field, inclusiveness
  (rather than lock-in, dependency)
- ✓ personal and non-personal data regulation: open markets, transparency
- ✓ R&D and 'ethical AI': human-centered approach
  (rather than state interests or business interests first)
- ✓ standard-setting

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→ ref. ASEM's successful DG Customs dialogue!

ASEM's role in digital connectivity (2) manage and steer 'digital ODA'
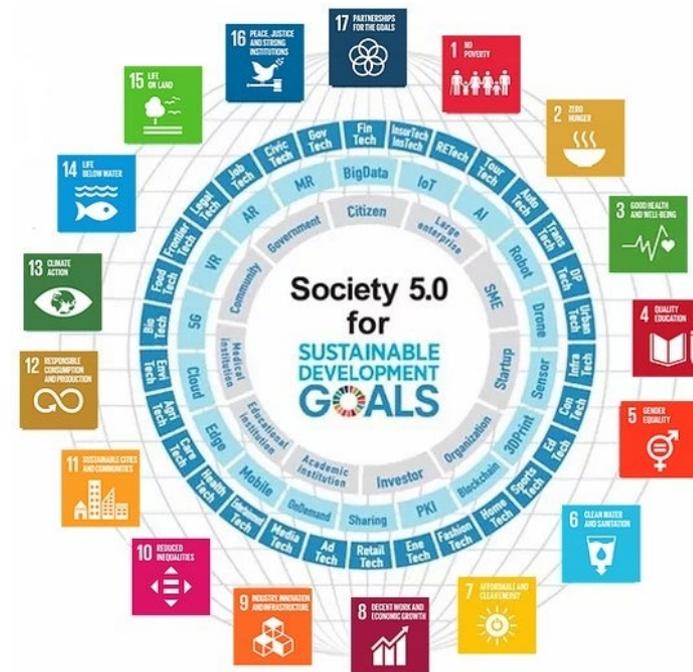
Digital Official Development Assistance

= support to third countries on digital infrastructure; digital competence and the e-economy; regulatory frameworks; and cyber security & resilience

→ establish as a cornerstone in ASEM's digital connectivity agenda

→ help deliver inclusive and sustainable growth in ASEM countries and beyond

Existing (competitive?) initiatives include:

✓ China's Digital Silk Road (DSR)

✓ ROK's Cybersecurity Alliance for Mutual Progress

✓ Japan's Strategy for Cyber Security (SCS)

✓ EU's Digital for Development (D4D)

✓ ASEAN–Singapore Cybersecurity Centre of Excellence (ASCCE)

✓ India's Centre for Digital Financial Inclusion (CDFI)

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Source: JICA and Keidanren, 2020.

ASEM's role in digital connectivity (3)
other actionable steps

- ✓ **Digital economy (and interoperability) issues** fall under the purview of the economic and financial pillar, specifically the ASEM's Economic Ministers Meeting (EMM). Digital connectivity issues were discussed during the last meeting of the EMM in 2017 under South Korea's chairmanship.
- ➢ Actionable step: ASEM members should invest in reviving the EMM, considering the importance of digital issues to a sustainable socio-economic recovery.

- ✓ **Data policies** can be discussed within ASEM's Asia-Europe Business Forum where government officials and private sector actors meet to increase trade and investment flows.
- ➢ Actionable step: the Asia-Europe Business Forum could focus on digital economy issues.

- ✓ **Broadband expansion** requires focused cooperation through partnerships, exchange and discussion of best practices and standards.
- ➢ Actionable step: Under ASEM, broadband discussions can be fostered through the Trans-Eurasia Information Network (TEIN) that aims to connect infrastructures between Asia and Europe.

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Europe's Digital Decade?

Navigating the global battle for digital supremacy

(October 2020) Available online

Brigitte Dekker
Maaike Okano-Heijmans

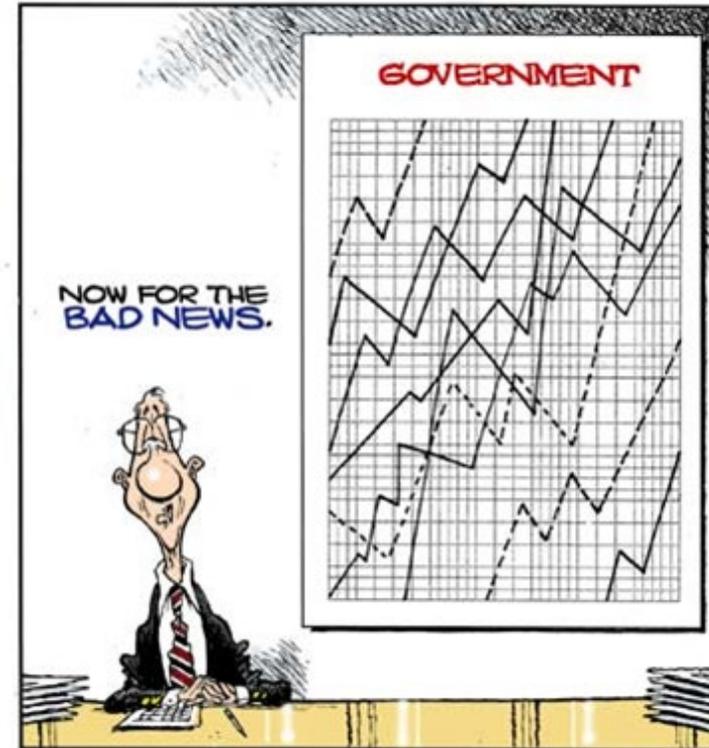**Clingendael Report**

Unpacking China's Digital Silk Road

(July 2020) Available online

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Thank you for your attention!

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