EU-ASEAN Relations
Essay Series

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EU action beyond the maritime domain:
Towards open and secure digital connectivity in and with ASEAN

The European Union is crafting a distinct strategic approach to the Indo-Pacific. While most attention goes out to European action in the maritime domain, ultimately, the EU and its member states could offer more in the hotly contested high-tech and digital domains.

The EU's Indo-Pacific Strategy– as announced in the EU's Foreign Affairs Council Conclusions of 19 April 2021 – shows the EU's ambition in this volatile but dynamic region. The EU seeks to catalyse partnerships with all partners who share common objectives, in areas including trade, ocean governance, research and technology, connectivity, health and climate change.

The EU pivot to the Indo-Pacific follows that of several of its member states: France, Germany and the Netherlands have already put out national guidelines. It also follows the EU-Japan partnership on connectivity and the general EU strategy on connectivity.

European governments and firms should conceptualise the Indo-Pacific broadly, beyond the maritime and security domains, where the Indo-Pacific concept has its roots. Digital connectivity represents an area where European and Asian countries can collaborate to support the growth of digital economies and enhance cyber resilience across the Indo-Pacific.

The Indo-Pacific is home to a vibrant digital ecosystem buoyed by booming e-commerce and FinTech landscapes, and the largest and most rapidly growing internet user bases in the world. As the EU seeks to build closer partnerships, the focus must initially be on the Association for South-East Asian Nations (ASEAN) and three Indo-Pacific countries that are key players in the digital domain that share EU objectives: India, Indonesia and Singapore. These countries can anchor the EU's digital engagement with the region.

It is in the EU's interest to do so, because China's rise as a technological power represents a concern, and not just for the United States. Beijing understands that control of the world's digital networks through which the world's data flows will become a major source of geopolitical power.

Countries like India and Japan who have military conflict with China worry about China's domination of global technologies, which increases calls for 'like-minded' partners to work together to develop standards and norms that will govern the development and use of emerging technologies, deterring their use for illiberal ends.

Fostering digital connectivity in the Indo-Pacific provides an opportunity for the EU to advance human-centred approaches, standards of new technologies and norms. A human-centred approach emphasises users, data privacy, and digital rights. This approach contrasts with the market-oriented approach of the US government and the state-security focus of the Chinese government.
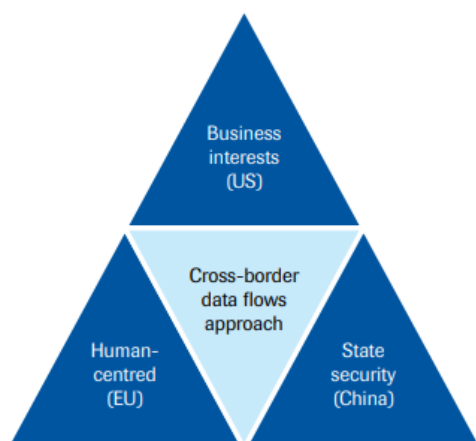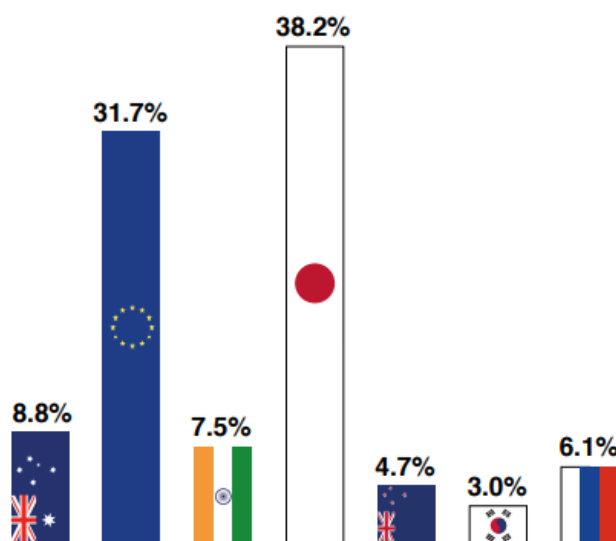

Figure 1: Approaches to data regulation: prioritising privacy, business interests and state security
Source: Dekker and Okano-Heijmans, [Europe's Digital Decade?](), 2020.

The costs of the EU's failure to engage on digital issues across the Indo-Pacific are high, as technology governance models risk being dominated by the interests of states and big tech companies rather than of individuals. Its image as the [most favoured and trusted strategic partner]() of countries in the region after Japan, opens pathways for collaboration, especially with the ASEAN.

Figure 2: If ASEAN were to seek out "third parties" to hedge against the uncertainties of the US_China strategic rivalry, who is your most preferred and trusted strategic partner for ASEAN?
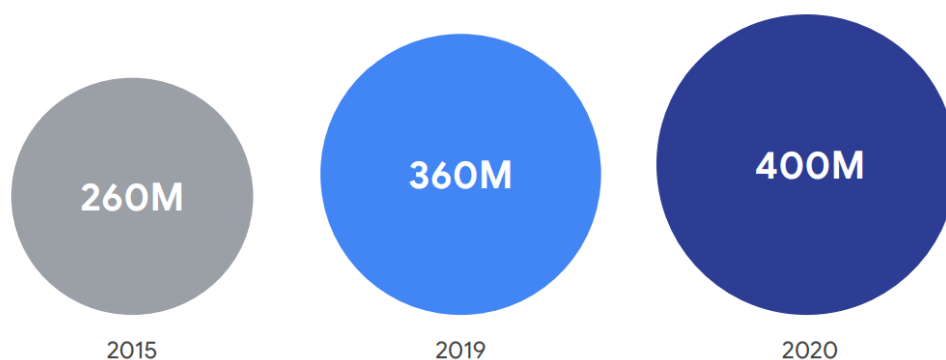

Source: Tang, S. M. et al., [*The State of Southeast Asia: 2020*]() *(Singapore: ISEAS-Yusof Ishak Institute, 2020).*

What can the EU do? It must acknowledge that European efforts towards greater digital inclusion, sustainability and cybersecurity can only be achieved through robust hard and soft infrastructure. Digital infrastructure lies at the heart of digitalisation and sets the standard for the technologies built on it.

The EU acknowledges that ASEAN can be a strong partner for enhancing digital economy and connectivity cooperation. The joint initiative to develop a basis for an ASEAN digital benchmarking index shows the efforts to connect the EUs experience in measuring digital economy to the needs of the ASEAN region.

Internet connectivity in the Indo-Pacific is rising, but broadband penetration remains low across the ASEAN region. Brussels should support the expansion of broadband access across the Indo-Pacific through targeted public investments and regulatory reforms that inject more competition in their telecommunication sectors to lower prices, increase speed and broaden access.

Figure 3: Total internet users in Southeast Asia

260M	360M	400M
2015	2019	2020

Source: e-Conomy 2019 report, Statista for 2020.

Also, the EU should support efforts of ASEAN countries to develop data policies that fuel the digital economy's growth. Gaps exist across the region on data governance. Abundant opportunities exist for the EU to support the FinTech revolution across the Indo-Pacific. This includes the development and export of specific digital infrastructures that expand financial access in developing countries, such as mobile and contactless payments, and virtual banks.

Countries in the Indo-Pacific have expressed a desire to learn from Europe's experiences, from data protection regulation to cyber security. Indeed, the EU's cybersecurity initiatives in the Indo-Pacific region started to be developed in recent years, resulting in joint commitment to promote an open, secure, stable, accessible and peaceful ICT environment.

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How can the EU engage on digital matters? The ASEAN Digital Ministers Meeting (ADGMIN), which was held for the first time in January 2021, offers a valuable platform for engagement. This includes China. The Quad – the informal grouping between Australia, India, Japan and the US – is another natural entry point, as it moves beyond its traditional security focus towards issue-based cooperation in the tech and other fields, exemplified by the resilient supply chain initiatives and the Quad Tech Network.

The EU can contribute to an open, safe and inclusive digital connectivity and engage with the thriving digital economies in the Indo-Pacific. It should act now.