



ASEAN - CANADA SUMMIT

6 SEPTEMBER 2023, JAKARTA - INDONESIA

A photograph of several people seated at a long table during a summit. The background is a large screen displaying a sunset over a mountain range. The foreground is blurred, showing the back of a person's head.

Canada's Evolving Relationship with the ASEAN Region

KAI OSTWALD



While it is often overshadowed by Asia's giants China and India, the ASEAN region is both geographically and strategically central to the Indo-Pacific framework.¹ The numerous Indo-Pacific strategies that have appeared since the United States began promoting the framework in 2017 reflect this by endorsing ASEAN centrality and underscoring the importance of deepening economic, political, and security linkages to the region.²

The reasons for Southeast Asia's appeal are clear. At over US\$ 3.5 trillion, its combined GDP already surpasses all countries aside from the US, China, Japan, and Germany. With a relatively young population and rapidly expanding middle class, it is well-positioned to sustain growth in the decades ahead when more established markets in North America, Europe, and Northeast Asia face demographic-related slowdowns. As importantly, Southeast Asia's geographic location, flanked by the emerging great powers of China and India, situates it at the heart of what may become the world's geopolitical centre of gravity in the next century.³

Enter Canada. Geography and history have long served to orient the country's focus towards the United States and transatlantic partners. However, recent political developments, most notably the Trump camp's America-first orientation, have underscored how vulnerable an overreliance on traditional ties leaves Canada. Among other things, the Indo-Pacific is a forward-look-

ing response to the imperative of diversification. Southeast Asia is a key part of that for Canada, as it is for other countries.⁴ In Canada's case, serious tensions with both India and China further elevate the importance of the ASEAN region, given the need to build momentum for its Indo-Pacific Strategy (IPS), which was launched after much anticipation in November 2022.

There are grounds for cautious optimism about the Canada-Southeast Asia relationship following the IPS's inaugural year. The strategy's decisive language sets a fitting tone for Canada's aspirations across the region, which a series of major political speeches reinforced.⁵ Trudeau, for example, provided headline-worthy statements about the centrality of Southeast Asia to Canada's Indo-Pacific endeavors during the ASEAN Indo-Pacific Forum,⁶ while Foreign Minister Mélanie Joly called on Canada to invest in ASEAN just as it has in the European Union.⁷ In September 2023, Canada's formal relationship to ASEAN was elevated from Dialogue Partner—a status it has held since 1977—to Strategic Partner, ostensibly in recognition of the meaningful, substantive, and mutual-

1 The Association of Southeast Asian Nations (ASEAN) comprises ten countries in Southeast Asia; Timor Leste is on a pathway to join the association as the 11th member.

2 The White House, "Indo-Pacific Strategy of the United States," The White House, February 2022, <https://www.whitehouse.gov/wp-content/uploads/2022/02/U.S.-Indo-Pacific-Strategy.pdf>.

3 Paul Evans, "Canada and Southeast Asia: entering through a different door." *Canadian Foreign Policy Journal*, 29, no. 2 (2023): 202-206.

4 Kai Ostwald, Grégoire-François Legault and Dominique Caouette, "Canada and Southeast Asia in the new Indo-Pacific era." *Canadian Foreign Policy Journal*, 29, no. 2 (2023): 117-130.

5 The IPS, for example, calls Canada a Pacific Nation and recognizes the Indo-Pacific is "rapidly becoming the global centre of economic dynamism and strategic challenge" (p. 1), and as such requires that Canada makes a generational, whole-of-government shift (p. 4). While it is not a robust metric, the IPS mentions ASEAN 22 times, second only to China (40), but well ahead India (16), Japan (17), and Korea (17).

6 Office of the Prime Minister, "Remarks at the ASEAN Indo-Pacific Forum Leaders' Talk," Office of the Prime Minister, September 6, 2023, <https://www.pm.gc.ca/en/videos/2023/09/06/remarks-asean-indo-pacific-forum-leaders-talk>.

7 Mélanie Joly, "Address by Minister Joly on Canadian Diplomacy amidst Geopolitical Uncertainty," Government of Canada, November 3, 2023, <https://www.canada.ca/en/global-affairs/news/2023/11/address-by-minister-joly-on-canadian-diplomacy-amidst-geopolitical-uncertainty.html>.



ly beneficial nature of the partnership.⁸ Progress on the ASEAN-Canada Free Trade Agreement also continued, with its conclusion anticipated by 2025.

Investments committed by the IPS help, but they do not resolve the key question and dilemma facing Canada: in the increasingly crowded playing field that is the ASEAN region, what is Canada's role and what does it offer to potential partners who have no shortage of other suitors?

These are positive and important developments, but they contend with substantial challenges that are decades in the making. In short, Canada has long underinvested in its transpacific partnerships relative to other global players, leaving it with significant ground to make up before its ambitions in the ASEAN region can be fully realized. The investments committed by the IPS help, but they do not resolve the key question and dilemma facing Canada: in the increasingly crowded playing field that is the ASEAN region, what is Canada's role and what does it offer to potential partners who have no shortage of other suitors?

Canada and Southeast Asia

Canada is no newcomer to Southeast Asia. Its first

⁸ Note, however, that several other countries have recently seen their status elevated, leaving unclear what the status means and how it is different from the previous Dialogue Partner designation. See: Joanne Lin, "Is ASEAN's Comprehensive Strategic Partnership Becoming a Farce?", *ISEAS Fulcrum* (2023).

systematic engagement with the region began on the periphery of the Colombo Plan in 1951, after which followed twenty years of involvement on International Commissions in Indochina. Those built familiarity with Southeast Asia in pockets of Canada's foreign service, which proved valuable when efforts were refocused on providing development assistance throughout the region beginning in 1975. All of that made Canada a significant player in the region at this time, as reflected in the 1977 commencement of formal linkages with ASEAN: only Japan, Australia, New Zealand, and the European Union established those linkages earlier.⁹ This largely continued through the 1980s, with Canada being present for several key milestones in ASEAN's evolution, including the creation of the ASEAN Regional Forum in 1993.

Starting in the late 1990s, however, Canada's engagement with the region gradually became thinner, more sporadic, and narrower in focus, often punctuated by abrupt policy changes. Critics lamented Canada's turn into a fair-weather friend, prone to appearing and retreating as its domestic political winds shifted, and interested more in protection of economic interests than broad-based engagement. Others noted that Canada's tone and posture had a tendency to come across as smug when engaging counterparts abroad, driven by an apparent conviction that Canadian values were unusually virtuous and morally superior.¹⁰ The Harper government's "Americas Strategy", together with the symbolically important closures of diplomatic presence in Southeast Asia, further embedded the view that Canada did not priori-

⁹ Pushpa Thambipillai, "External Partners in ASEAN Community Building: Their Significance and Complementarities." Published through the Fredrich Ebert Stiftung and the S. Rajaratnam School of International Studies, Singapore (2007).

¹⁰ Denis Stairs, "Myths, morals, and reality in Canadian foreign policy". *International Journal*, 58, no. 2 (2003): 239-256.



tize its relationship with the region.¹¹ There were, nonetheless, some meaningful improvements to the Canada-ASEAN relationship between 2011 and 2021—the Canada-ASEAN Joint Declaration on Trade and Investment, the initiation of free trade agreement negotiations, and the opening of a dedicated Canadian mission to ASEAN being prominent examples—but the momentum and political goodwill that Canada built prior to the late-1990s had clearly been disrupted, leaving its reputation and influence in the region diminished relative to other key actors.

Canada's Indo-Pacific Strategy

That is the backdrop against which Canada embarks on its renewed ASEAN-focused efforts. Elements of the IPS strike the right notes. Counterparts in Southeast Asia appreciate the categorization of Canada as a Pacific nation and the references to the Indo-Pacific as critically important to Canada's prosperity. The IPS's explicit recognition that geopolitical changes require a "generational", whole-of-government and whole-of-society response from Canada is symbolically important as well, to which the initial commitment of over C\$2

Canada enters that mix relatively late, handicapped by the aforementioned reputational burdens, and with similar objectives to many others, namely economic diversification and strategic influence.

11 Phillip Calvert, "Canadian diplomacy in Southeast Asia: Challenges for the coming decades." *Canadian Foreign Policy Journal*, 29, no. 2 (2023): 131-143.

billion adds substance.

Such announcements would have made considerable waves ten or fifteen years ago. But as the IPS itself notes, the world has changed. Among others, Australia, Britain, the EU, France, Germany, India, Indonesia, Japan, Mongolia, the Philippines, South Korea, and the United States all have some version of an Indo-Pacific strategy that recognizes the geopolitical and economic significance of the region, as well as ASEAN's centrality within it. In short, the playing field has become increasingly crowded. Canada enters that mix relatively late, handicapped by the aforementioned reputational burdens, and with similar objectives to many others, namely economic diversification and strategic influence.

Key Questions

This raises several questions. First, on the implementation front, the obvious unknown is whether the intention of a generational shift in Canadian foreign policy will yield an actual shift worthy of that description. Announcements and press releases, ultimately, are no substitute for actual engagement, and counterparts in the ASEAN region have a range of alternative partners to turn to if Canada shows signs of wavering. This is especially challenging given the plethora of geopolitical hotspots that already leave Canada's diplomatic and security structures stretched thin, and could easily further draw Canada's focus away from the Indo-Pacific. In short, Canada does not have the capacity to simultaneously prioritize everywhere, particularly if it hopes to make up lost ground in the expansive Indo-Pacific. Even if the commitment to shift Canada's orientation to the Indo-Pacific is sincere, previous shifts in Canada's foreign policy have demonstrated how difficult



it can be to overcome institutional inertia.¹² That includes intangibles as well, for example tone and posture: as Southeast Asia's economic and strategic stature has grown, so too has its expectation that it be approached as an equal—or at least serious—partner, which is not always the default for representatives of rich countries.

Second are questions on precisely what role Canada seeks to play in the region. While the IPS is clear on Canada's ambitions, it is ambiguous on precisely what form they might take. Some look for Canada to act as a relatively independent middle power. This would create unique opportunities, but also place significant demands on Canadian resources. An alternative model sees Canada act as an aide-de-camp of the United States, benefiting from the US's extensive presence and capturing spillover from US gains, but in the process constraining Canada's operating space as well.¹³ In reality, the choice is not strictly binary and there is some room to strategically leverage elements of both. But nor is it the case that Canada can fluidly move between the two models over the long-run, since being perceived as strongly US-aligned will limit Canada's credibility as a more neutral actor or "honest broker". Counterparts in ASEAN will look closely at Canada's actions for indications of its orientation.

Looking Ahead

One year into Canada's IPS, there are more questions than answers about the prospects of Canada's relationship with Southeast Asia. Three points stand out as essential if Canada is to realize

its ambitious agenda in and with the region.

First, Canada must continue to show up often and at high levels. This is key to demonstrating sincerity and beginning to make up ground vis-à-vis other actors whose commitment to the region has been more consistent. Prime Minister Trudeau's visit to Indonesia and Singapore in September 2023 set a positive tone, as did Mélanie Joly's earlier participation in key ministerial-level ASEAN meetings. Alongside high-level visits of this kind continuing, other initiatives that boost Canada's visibility across the region, of which numerous examples already exist, are essential. For example, the Asia Pacific Foundation of Canada and Universities Canada hosted an inaugural Canada-in-Asia Conference¹⁴ in Singapore that brought together major private and public sector players from Canada and Southeast Asia. Other initiatives, for instance IDRC's Knowledge for Democracy Myanmar, build good will and demonstrate Canada's capacity to address some of the region's most pressing needs.¹⁵ These need to continue over the longer term to fully pay dividends.

Second, Canada must demonstrate a capacity to listen to regional interests and respond in nuanced ways that balance competing demands and reflect cultural competence. It must be remembered that Southeast Asia has not been unequivocally supportive of the Indo-Pacific concept, largely for fear of it compounding great power tensions: as Huong Le Thu notes, few places are subject to more pressure from the US-China rivalry, or have more to lose from it, than Southeast Asia.¹⁶ Its leaders, including from more democrat-

12 Kai Ostwald and Julian Dierkes, "Canada's foreign policy and bureaucratic (un)responsiveness: public diplomacy in the digital domain." *Canadian Foreign Policy Journal*, 24, no. 2 (2018): 202-222.

13 Jennifer Mustapha, "Rethinking Canada's security interests in Southeast Asia: from "Asia-Pacific" to "Indo-Pacific"." *Canadian Foreign Policy Journal*, 29, no. 2 (2023): 175-188.

14 Asia Pacific Foundation of Canada, Canada In Asia Conference 2023, <https://www.canada-in-asia.ca/ciac-2023>.

15 International Development Research Centre, The Knowledge for Democracy Myanmar (K4DM) Initiative, <https://k4dm.ca>.

16 Huong Le Thu, "How to Survive a Great-Power Competition: Southeast Asia's Precarious Balancing Act" *Foreign Affairs* (May/June



ic countries such as Indonesia and Malaysia, have regularly expressed discomfort with viewing the world through an ideologically-infused democracy-versus-autocracy lens. This does not imply ambivalence with China's rise; to the contrary, the region is keenly aware of the risks that an assertive China imposes. Instead, it reflects a preference for broad-based engagement in pursuit of development and conflict avoidance. In practice, that means living with China, rather than working against it. In any case, the region has no desire to "pick sides" and is unlikely to embrace language—whether like-minded, decoupling, containment, friend-shoring, or ring-fencing—that implies the inevitability of conflict between the United States and China.¹⁷ Canada will find greater welcome and more opportunity in the region by demonstrating sensitivity to such sentiments, even while it invariably aligns with some of the United States' security initiatives.

Canada must demonstrate a capacity to listen to regional interests and respond in nuanced ways that balance competing demands and reflect cultural competence.

Third, Canada must formulate a more coherent value proposition for the region. Ultimately, Canada is a middle-sized country that lacks the economic and military heft to be a gamechanger for

2023).

17 Kuik Cheng-Chwee, "Navigating the Narratives of Indo-Pacific: 'Rules,' 'Like-mindedness,' and 'De-risking' in the Eyes of Southeast Asia." *Georgetown Journal of Asian Affairs*, 9 (2023): 51-56.

ASEAN counterparts.¹⁸ Moreover, Canada has not been the most committed partner to the region and can be more complicated to deal with than some others, not least because of its values-based approach to foreign policy (which does not, to be clear, necessarily make a values-based approach inappropriate). Decades ago, a rich Western country could show up in Southeast Asia without a clear message and nonetheless expect an enthusiastic reception. Today's reception will still be warm, but underneath the pleasantries lingers a fundamental question: why Canada? There must be a clear and compelling answer to this, without which Canada's relationships in the region will remain underdeveloped and the region's opportunities perpetually beyond reach. There is no shortage of promising threads, ranging from diasporic linkages through trade, tech, and educational collaboration, among countless others. What remains is for those to be woven into a coherent proposition for how Canada differentiates itself in the increasingly crowded field of Southeast Asia.

Finally, Canada's leadership must communicate the importance of Southeast Asia and the broader Indo-Pacific region to the Canadian public. The IPS correctly recognizes developments that will reshape the global order in the century ahead, and seeks to ensure that Canada will be well-positioned for those changes. But in the meantime, resource scarcity and the abundance of other needs at home and abroad will challenge Canada's commitment to the Indo-Pacific shift, which will sustain only if the Canadian public is convinced of its importance.

18 This is not an ASEAN-specific issue. On Canada's diminished global influence and the implications for foreign policy, see: Zachary Paikin, Walter Kemp, Ann Fitz-Gerald, and Louise Blais. 2023. "True North: A Canadian Foreign Policy that puts the National Interest First." *The Institute for Peace & Diplomacy*.