

# Periphery to Periphery?

## Southeast Asian Developmental Foreign Policy in West Africa

Albert-Ludwigs-Universität Freiburg



**UNI  
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1. Southeast Asian Foreign Policies in West Africa
2. What is Southeast Asia's Developmental Foreign Policy?
3. Building and Stumbling Blocks for Southeast Asia-West Africa Relations

# 1. Southeast Asian Foreign Policies in West Africa

# ASEAN States' Foreign Policies in West Africa



- Long history of South-South linkages
  - Bandung Conference (1955)
  - Non-Aligned Movement
- ASEAN had “Look East Policy” until 2000s through ASEAN+3, ASEAN+5, East Asia Summit
- Now: Engaging with broader set of partners
  - Search for political recognition
  - Search for export markets

# ASEAN States' Foreign Policies



Country	Characteristics
Indonesia	Largest diplomatic capacity Trade promotion programs “Political” South-South cooperation
Philippines	One-stop-shop for Filipino labor migrants Education destination
Thailand	Tourism destination Education destination Free trade advocacy at the WTO
Vietnam	West Africa as an export market
Malaysia	Tourism destination Education destination Technical assistance (MTCP) Islamic banking and insurance Oil exploration “Political” South-South cooperation

# ASEAN States' Foreign Policies

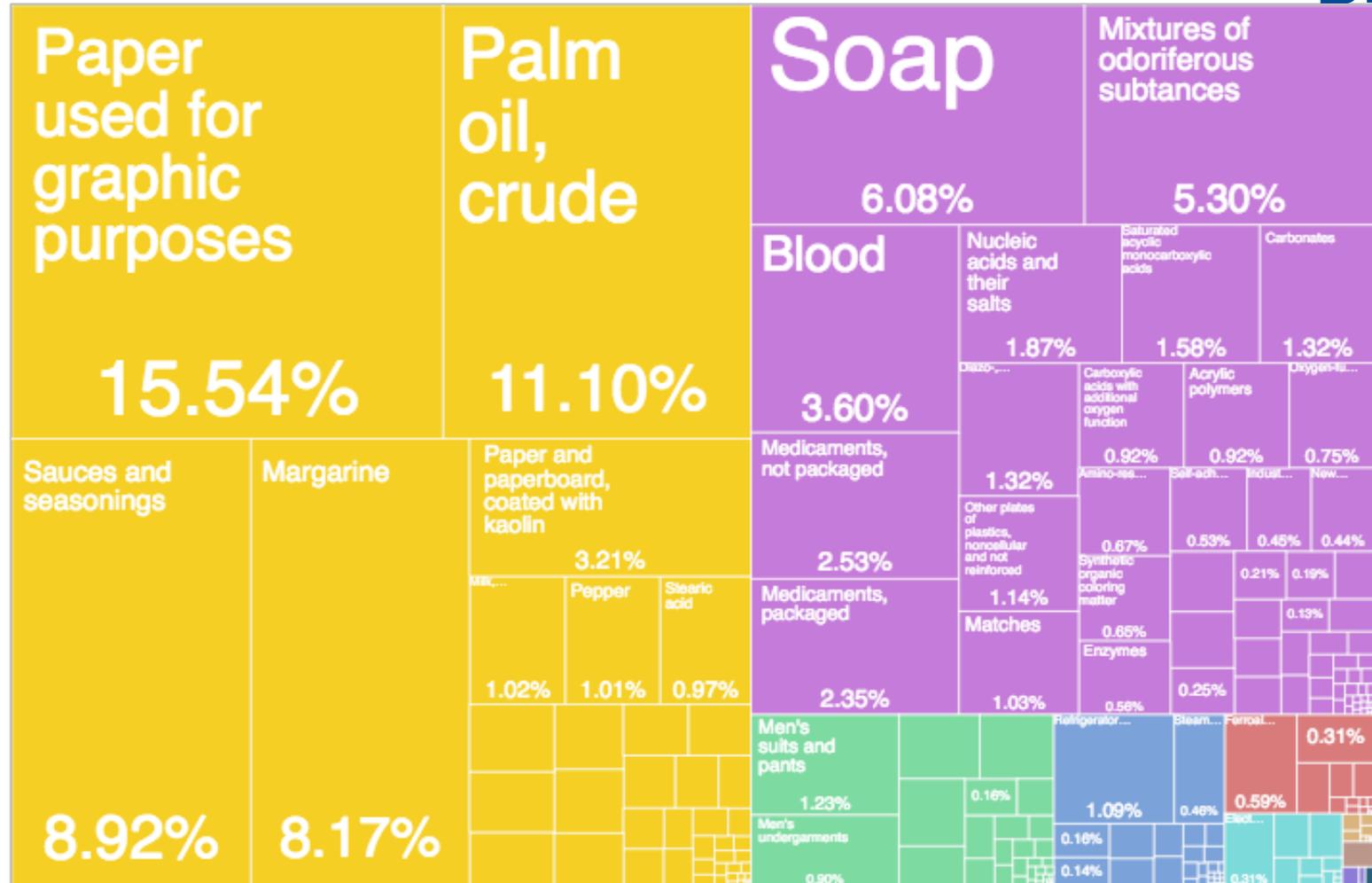


Country	Characteristics
Indonesia	Largest diplomatic capacity Trade promotion program "Political" South-South cooperation
Philippines	One of the most active ASEAN members Strong ties with the United States Active in international organizations Promotes regional stability and security Supports economic growth and insurance Political" South-South cooperation

**Common Goal:  
West Africa as a market for  
Southeast Asian goods and  
services**

# Indonesian Exports to Nigeria 2016

S311M



# Indonesian Imports from Nigeria 2016

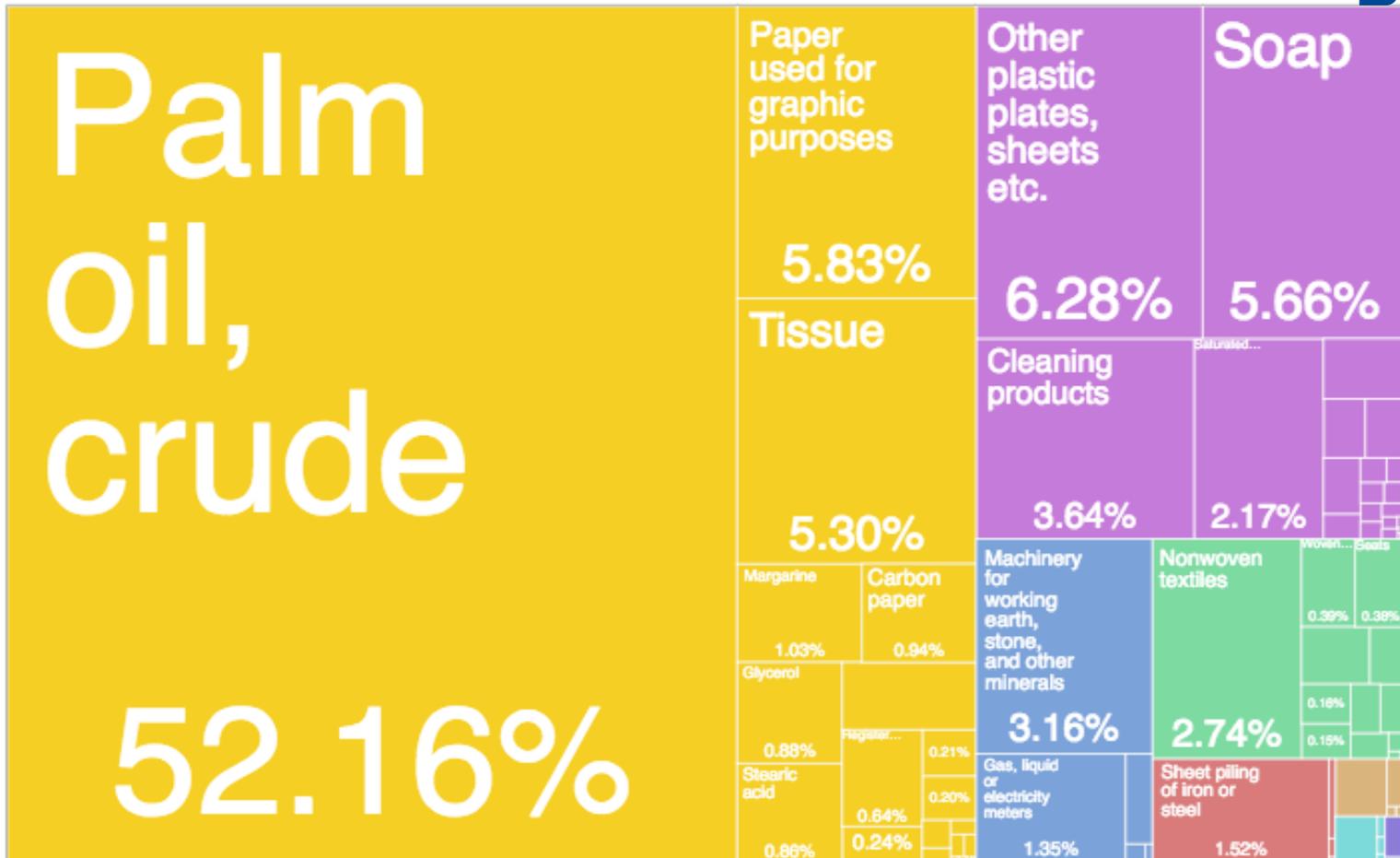
S1.22B

Petroleum  
oils,  
crude

96.81%

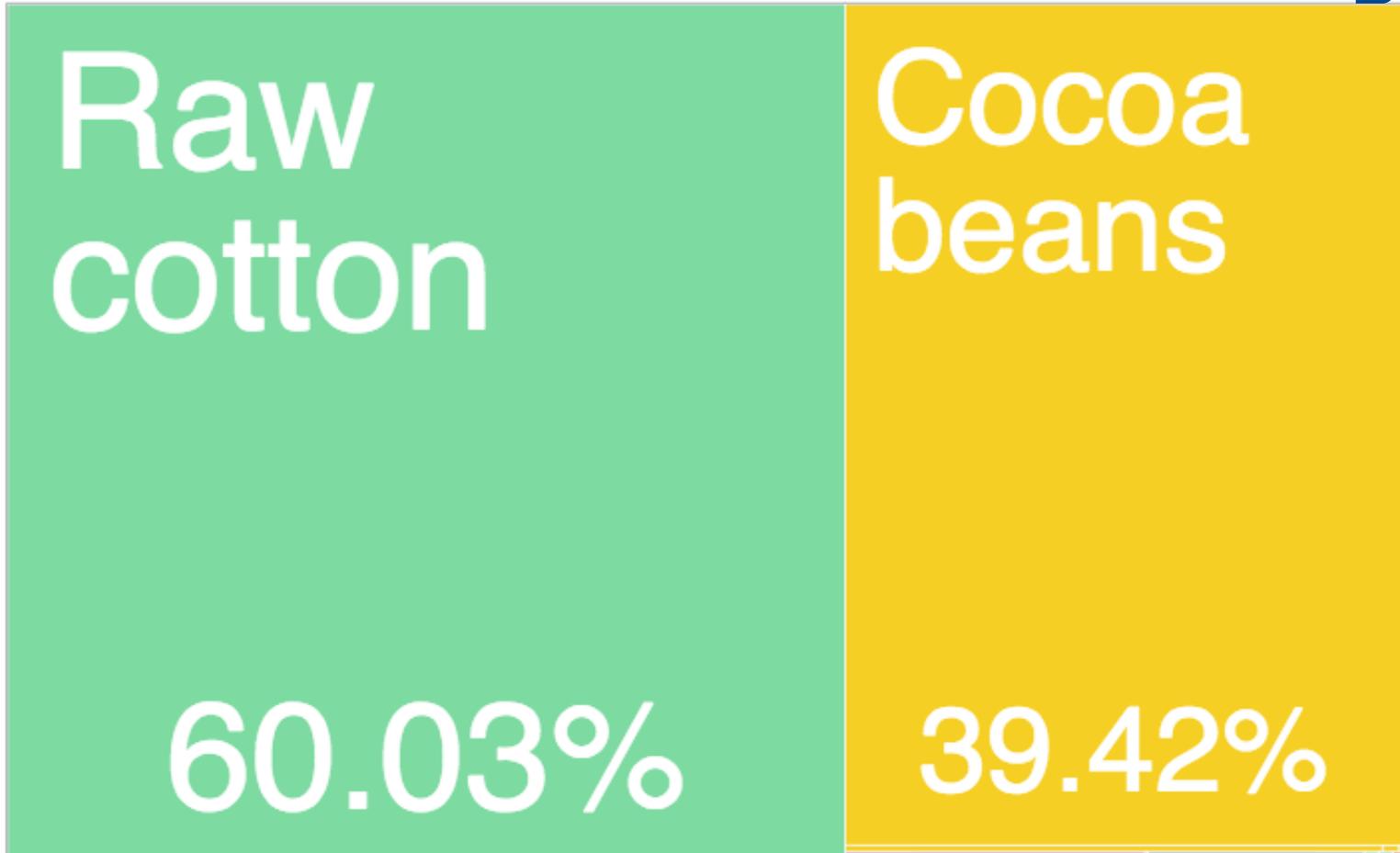
# Indonesian Exports to Côte d'Ivoire 2016

\$52.1M



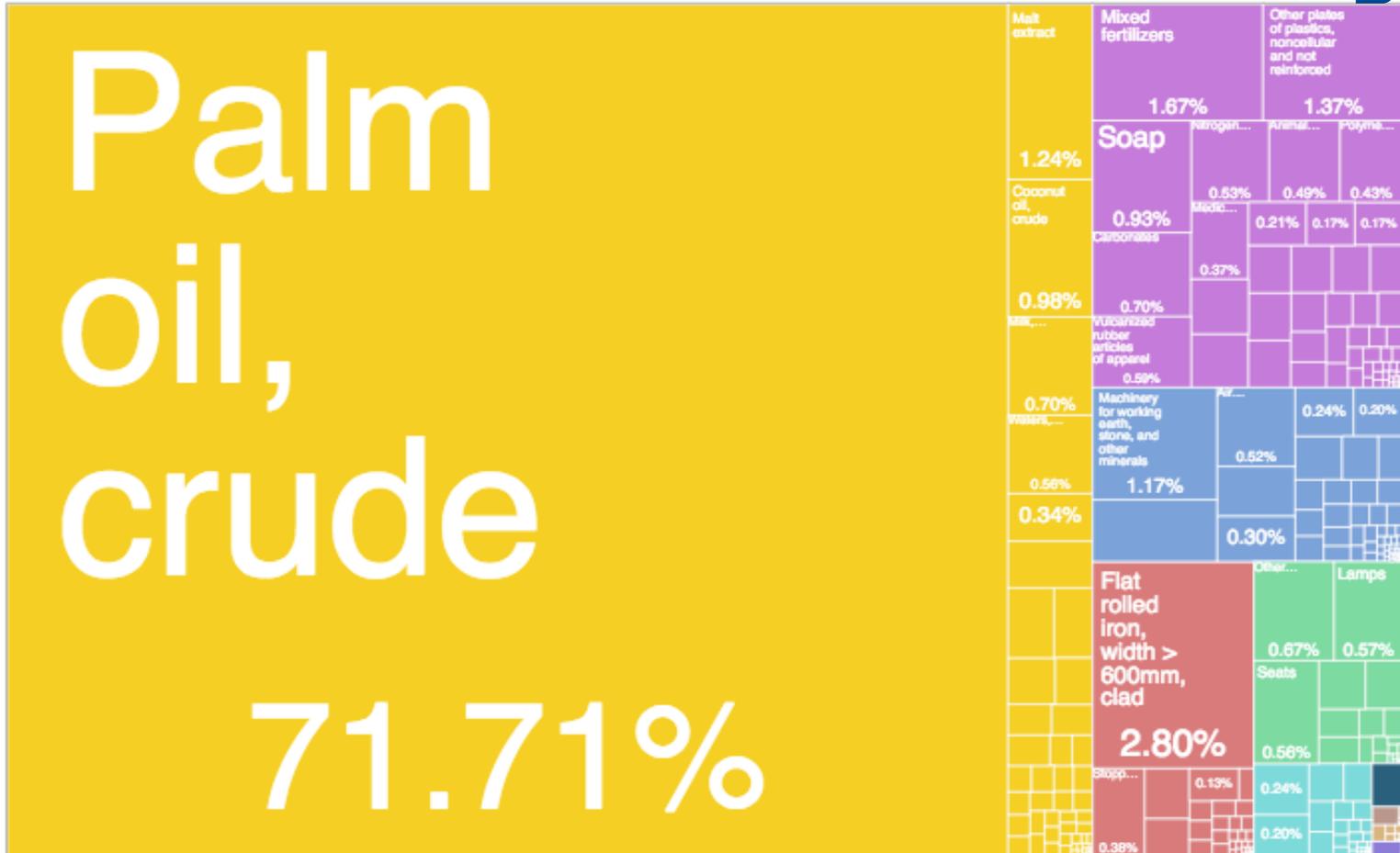
# Indonesian Imports from Côte d'Ivoire 2016

\$50.0M



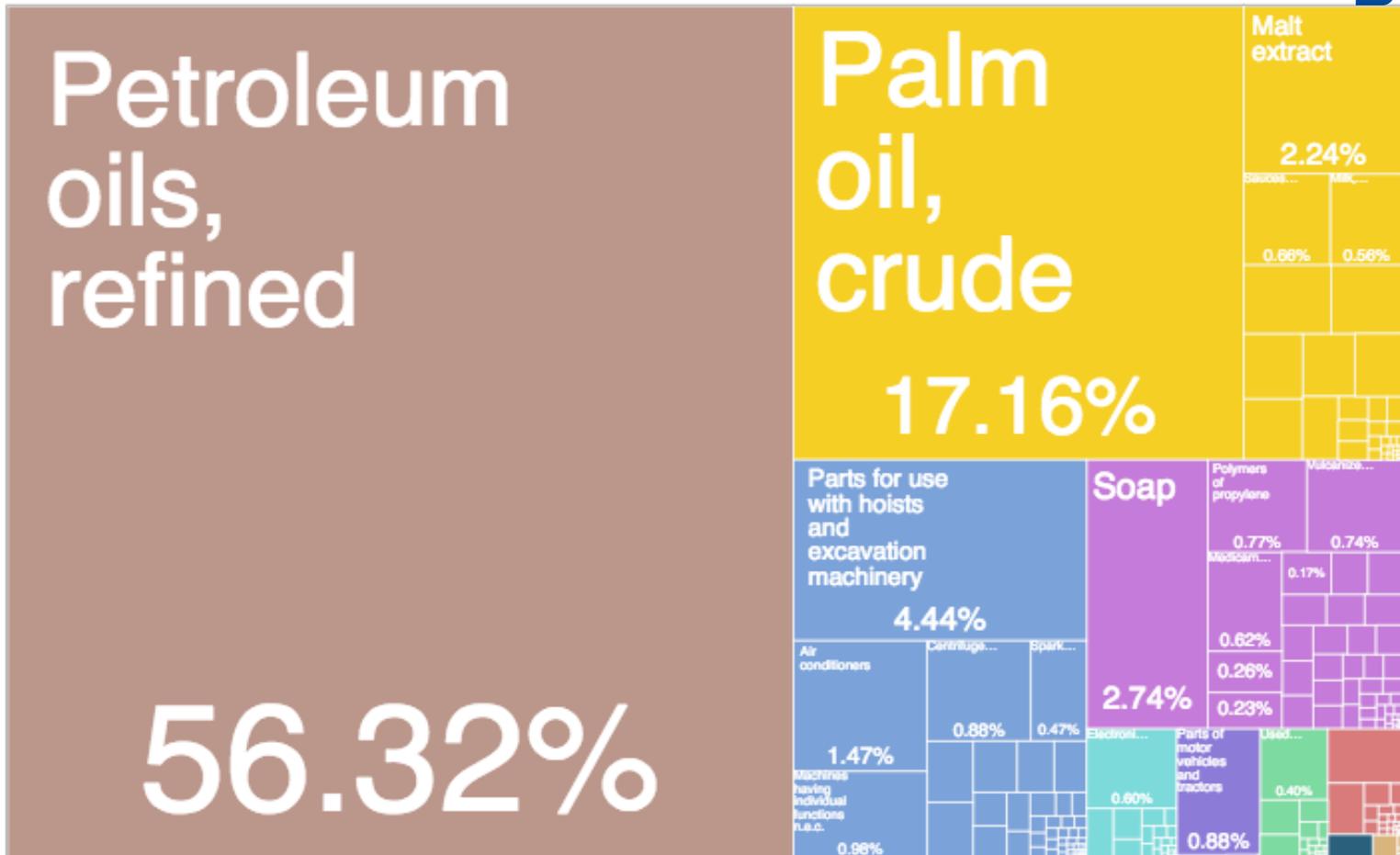
# Malaysian Exports to Ghana (2016)

\$177M



# Malaysian Exports to Nigeria (2016)

\$714M





## 2. What is Southeast Asia's Developmental Foreign Policy?

MAR

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President Jokowi want economic value added

JAKARTA -- ***President Joko Widodo (Jokowi) want the Indonesian economy does not rely on commodity exports, but will be transferred to the value-added economy.***

# What is Southeast Asia's Developmental Foreign Policy?



- Japan, Asian Tigers, and China as role models
  1. Land reform and increase in agricultural productivity
  2. Export-led industrialization
    - Infant-industry protection
    - Export-discipline
  3. State-controlled developmental finance
    - Funneling of money into industry
    - Decades of consumer-unfriendly policies under the specter of development

# How is the Northeast Asian Model Relevant to Southeast Asia?



- “Export discipline” supports creation of competitive firms (“National Champions”)
- Global South important as export market in early stages of industrial development as trial markets

But the similarities end here

# How is the Northeast Asian Model Relevant to Southeast Asia?



<b>Northeast Asia</b>	<b>Southeast Asia</b>
Land reforms lead to increase in productivity and domestic savings	No serious land reform
Domestic industries are built up	Integration into supply chains of multinational companies
Seeking out of markets in the Global South and then Global North for finished goods	
Financial system supports export-oriented firms first, at the detriment of consumers	Liberalized, consumer-focused banking system

# Can Southeast Asian States Become the New Tigers?



- Context has also changed
  - Many countries now middle income, competing over the same types of goods and services
  - Industry 4.0 and “Sharing Economy” has changed how new companies emerge
- What do 21<sup>st</sup> century “National Champions” look like?

# What National Champions?



**TOYOTA**



**HYUNDAI**

**VS**

**FOXCONN**



**PROTON**

**UNI  
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# Next Generation Southeast Asian Champions?



### 3. Building and Stumbling Blocks for Region-to-Region Relations

# The Good, the Bad, and the Neutral



Good	<ul style="list-style-type: none"><li>• Political Underpinnings of Relationship</li><li>• Potential for Economic Experience-Sharing</li></ul>
Neutral	<ul style="list-style-type: none"><li>• Regional Integration</li></ul>
Bad	<ul style="list-style-type: none"><li>• Potential Competition between West Africa and Southeast Asia</li><li>• Competition between Southeast Asian States</li></ul>

# Good: Political Underpinnings of Relationship



- Both regions share “periphery” experience, history of South-South solidarity
- Various fora for interaction
  - Organization for Islamic Cooperation (OIC)
  - D8 Group (includes Indonesia, Malaysia, Nigeria)
- Joint Documents
  - Bandung Declaration (1955)
  - New Asia-Africa Partnership (2005)

# Good: Potential for Economic Experience-Sharing



- Southeast Asia potential blueprint for West African development strategy
  - Similar historical background
  - Similarities include:
    - Ethnic and linguistic diversity
    - Economic and political nation-building
  
- Low-hanging fruit
  - Palm oil
  - Other agriculture and food processing
  - Education and tourism

# Neutral: Regional Integration?



- Southeast Asia and West Africa both have outstanding regional integration organizations
  - ASEAN
  - ECOWAS
- Despite some efforts to coordinate, almost no dividends
- ECOWAS begins to look towards ASEAN: economic integration

# Bad: Economic Competition Between Regions



- Different Developmental pathways of Asia and Africa lead to political splits
- Asia is possibly a hindrance/barrier to African development
  - relative competitiveness
  - cluster effects
- Is Africa able to accept and make use of Southeast Asian development support?

# Bad: Competition Between Southeast Asian States



- Southeast Asian countries broadly share same economic development trajectory and are in competition
  - Also: Integrated in global supply chains centered on Europe, US, Japan, China
- Little coordination through ASEAN
- Very concrete cases of competing industries
  - Malaysia vs. Philippines (Education, Tourism)
  - Indonesia vs. Malaysia (Palm Oil)
  - Malaysia vs. Thailand (Air Transport)