





## **FRIEDRICH NAUMANN FOUNDATION** For Freedom.

For 60 years, the Friedrich Naumann Foundation for Freedom (FNF) has worked around the world to promote freedom, democracy, the rule of law, human rights, and the social market economy. Freedom means more to us than just a random entry on a list of priorities. We consider freedom to be non-negotiable.

The new challenges presented by the rising tide of illiberalism require fresh solutions. The underlying fundamentals of freedom remain the same: the inviolability of human dignity and the rule of law, the protection of human rights and civil democracy, and the pursuit of a social market economy. However, our approach so that people will embrace these values has to change. FNF is the creative innovation platform for the promotion of freedom.

Part of this innovation is introducing a new logo that highlights the basis of our work:

The name of Friedrich Naumann from whom the Foundation anchors its belief on civic education as a prerequisite for political participation and thus for democracy is now more prominent

A full stop follows after the word freedom, signifying its importance. Working For Freedom is a emboldening statement.

FNF offers engaging formats to advance civic education, providing solid expertise and competence on global trends, and building a strong network of local partners and international allies. This will continue – in a more digital and interactive way, and in a more grounded and empathetic approach.

Because freedom means change.

**Freedom** means change.

[myanmar-en.fnst.org](http://myanmar-en.fnst.org)



[vietnam.fnst.org](http://vietnam.fnst.org)



[innovationhub](#)



[thailand.fnst.org](http://thailand.fnst.org)



[malaysia.fnst.org](http://malaysia.fnst.org)



[indonesia.fnst.org](http://indonesia.fnst.org)





[korea.fnst.org](http://korea.fnst.org)

[b.fnst.org](http://b.fnst.org)

[philippines.fnst.org](http://philippines.fnst.org)







Threats to liberal democracy are increasing. But for FNF, for the Friedrich Naumann Foundation, freedom is non-negotiable.

In Southeast and East Asia, as elsewhere, threats to liberal democracy include populism and disinformation. Some wily leaders suppress the truth and press freedom. They attack their political opponents viciously and court voters with misplaced promises. Privacy is more and more constrained. Individual and social spaces are monitored to gain control of everyday life.

Yet amidst the chaos and noise, we find silver linings in our region. The world looks to Malaysia after its voters breathed democracy back to life, unseating a party that had ruled the country for over 60 years. Now, a new government coalition has a chance to repeal draconian laws, reform the election system, and curb corruption.

Throughout Southeast and East Asia, an alarming gender gap remains. That said, scores relevant to the gap between men and women continue to improve with integration of tertiary educated, higher-skilled women into the labor force. In our annual report, we feature famous Asian women who have dedicated their lives to the struggle of democracy in their countries. Their accomplishments show how the journey towards freedom and democracy is a long haul, but worth it.

The Friedrich Naumann Foundation for Freedom has eight country offices in Southeast and East Asia. 2018 was a busy year for us. Our partners worked hard to promote democracy, human rights, a digital and open society, and market economy. We also marked the Foundation's 60th Anniversary. FNF was founded by Germany's former President Theodor Heuss in 1958.

In the region, we celebrated our anniversary with our friends, including the Council of Asian Liberals and Democrats. CALD themselves commemorated their 25th Founding Anniversary. We also celebrated 25 years of FNF cooperation with Sisters in Islam in Malaysia. As you read through this report, we take stock of our milestones and reflect on what we can do to step up our efforts to surmount challenges.

*Moritz Kleine-Brockhoff has been working in Southeast Asia since 1999. He joined FNF in 2009 and was appointed FNF's Regional Director for Southeast & East Asia in November 2018.*



Malaysia offers hope in an era of declining democracy.

## Reformasi's fighting chance

"I have a dream that one day Malaysia will shine as a beacon of freedom, democracy, and justice. That government shall be accountable for its actions, that our fundamental liberties shall be honored," said Malaysian opposition leader Anwar Ibrahim in a protest rally on 20 September 1998, calling for *reformasi*, or political and economic reform.

Two decades later, this has come true. The results of the Malaysian elections on 9 May 2018 that ended the 61-year rule of Barisan Nasional (BN) jolted many. In an era of populism and authoritarianism, which are also evident in Southeast & East Asia, Malaysia has proven that the pillars of democracy—two of which are transparency and accountability, and civil society participation—can be strong and enduring.

Reports like the Democracy Index, Corruption Perceptions Index, and Freedom in the World note

the decline in democracy in the Asian region and elsewhere, and view the development in Malaysia as the silver lining.

### "A New Malaysia"

The Pakatan Harapan (PH) coalition offered hope for "A New Malaysia." This included blurring racial and religious lines, which has become the subject of a recent contentious debate. If coming together was the key to regime change, it could also unlock the door to Malaysia's brighter future. Many have yet to realize this and embrace the value of an open society.

There are positive stirrings, foremost of which is Prime Minister Mahathir Mohamad's change of heart. When he was in power in 1981 and 2003, he was known to be intolerant of his critics. Today, the 93-year-old leader welcomes dissent. "I don't agree





Copyright Time Magazine

with the action taken against those who criticize me,” he said when authorities arrested a man who had allegedly slandered him and Islam on Facebook.

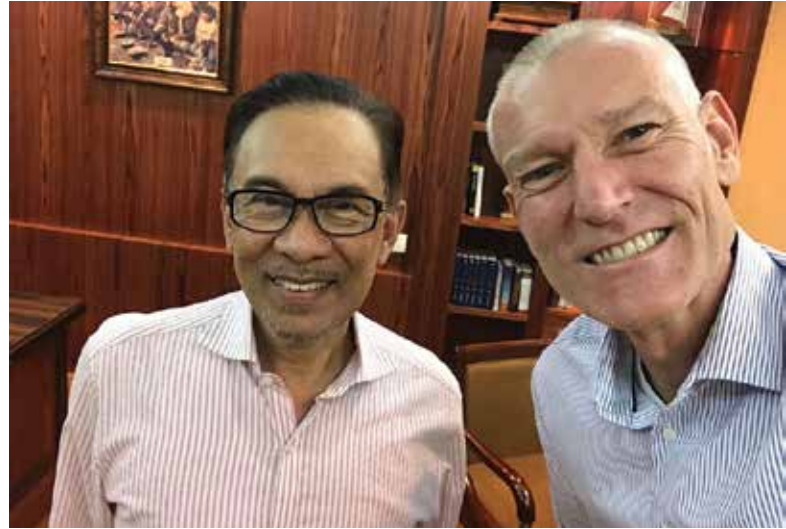
This is one step towards fulfilling expectations that guarantee a free press and freedom of expression. Mahathir will hold office for two years, and will then relinquish it to Anwar. Both have an opportunity to implement real reforms, and to give democracy a new fighting chance.

### **Economic progress left out people**

The experience of Malaysia shows that democracy and development are two sides of the same coin. While Malaysia’s economy enjoyed considerable growth under the leadership of BN, it left the people out of the political process. The blatant corruption in government was too much for the citizens who have been sidelined for many years, not benefiting from the country’s economic gains.

The 1MDB scandal, which led to allegations that former prime minister Najib Razal channeled nearly USD 700 million from a government-run company to his personal account, became the tipping point. While the controversy dragged on for almost 10 years, the case is a notable example of

### **Anwar Ibrahim with Moritz Kleine-Brockhoff**



how transparency and accountability are vital in governance, and that citizens can demand their right to information.

Last year, many Malaysians braced for rigged elections. But even if the government had used all its resources to manipulate the system, it was no match to a united opposition and a cohesive civil society, determined to fight for democracy.

After years of being suppressed, they voiced their disdain against corruption in government and rejected authoritarianism, propelled by one-party rule, through their ballots.

Whether the promises of the elections will be sustained depends on the leaders and the citizens. Participatory democracy demands the involvement of citizens in political decision-making. As other countries’ experiences have shown, civil society is a strong guardian of democracy.

Many in the region and in the world are watching the developments in Malaysia closely. *Reformasi* offers hope in this era of declining democracy.

*FNF will open an office in Malaysia in 2019.*

# CALD at 25: **Millennials in the battle of the millennium**

The relevance of politics is not what it makes people think, but how it makes them feel.

Millennials, or those who are part of the demographics that reached adulthood in the 21st century, are said to be indifferent to politics. Interestingly, too, these young people are said to favor socialism, blaming the free market for the rising inequality.

This is not the case for Francis Panday, Audrie Frias, and Jaja Janolo. They represent the “woke,” and are doing a “savage” work as part of the Secretariat of the Council of Asian Liberals and Democrats (CALD).

## **Young, wild with ideas, and free**

Francis, Audrie, and Jaja are 25, 22, and 21 respectively. All of them joined CALD right after graduation from the university, braving the real world of Asian politics. Based in Manila where the Secretariat holds office, the three have developed a special bond – apart from trailing each other on Instagram, they follow current events and engage in discussions on how liberal democracy can be popularized.

The battlefield for them is both online and offline. In an era where one competes with too much information, and political affairs aren't the trendiest topic, they creatively find ways to penetrate the social media sphere. In organizing events, they always include interactive activities, understanding that the relevance of politics is not what it makes people think, but feel.

As more Asian countries get drawn to populism and authoritarianism, Francis, Audrie, and Jaja recognize the pressure to be more uncompromising in their work. They dedicate more time in broadening their knowledge and becoming more analytic of issues, bringing out the conversation outside their desks, and expanding it to include family and friends.

## **Breeding ground for consensus and leaders**

Founded in 1993, CALD, is similarly a millennial. The umbrella organization of the Asian liberal political parties celebrated its 25th anniversary on 10 December 2018. From being a small caucus of parliamentarians, it is now as a formidable network with allies around the globe.



The “woke” millennials: Pete Panday (extreme left), Audrie Frias (second from left), and Jaja Janolo (second from right), with other members of the CALD Secretariat who are young at heart: Paolo Zamora, Lito Arlegue, and Micah Casem

But are political parties still relevant? “Political parties are still most suited institutional vehicles to unify large portions of the electorate, articulate their disparate interests and viewpoints, and transform their preferences into public policies,” said CALD founding chair Philippine Former Minister of Budget Management Butch Abad.

Like any organization, CALD is not spared from internal disputes amongst its members, but what unites them are their common principles and values, anchored on liberal democracy.

It’s the same for Francis, Audrie, and Jaja. Sometimes, they would have diverse opinion, but as much as it is the nature of democracy, it is the essence of their youth. They embrace their individual freedom equally as their responsibility to the society. They are “adulting” fast to meet the demands of their work that includes safeguarding democracy.

It’s “game face on” for these millennials in the battle of the millennium.

# Do we need 107 years to close the gender gap?



The Gender Gap Index measures the gap between women and men across four key areas: health, education, economy, and politics. The largest gender parity has always been on Political Empowerment, followed by Economic Participation and Opportunity.

East Asia and the Pacific lands 5th out of eight in the regional ranking, with a score of 68%, the same as the global weighted average, or a 32% gender gap. Fourteen (14) out of the 18 countries from the region covered in the Gender Gap Report 2018 have increased their overall scores compared to last year.

The report notes the relatively high female labor participation in the region, with a number of countries being able to close the gender gap for professional and technical workers, which was achieved by Viet Nam and Thailand since last year, indicating a fairly successful integration of tertiary educated, higher-skilled women into the labor force.

With a possible emergence of new gender gaps in advanced technologies such as artificial intelligence (AI) -related skills, urgent action is

required to further integrate women into the AI talent pool before the gender gaps in Economic Participation and Opportunity exacerbate. The report states: "The use of this general-purpose technology across many fields is being developed without diverse talent, limiting its innovative and inclusive capacity."

Women are seen as nurturing, collaborative, and inclusive. Organizations with more women in leadership roles are said to be 1.4 times more likely to have sustained, profitable growth. Communities and industries should recognize this if they do not want to lose out on skills, ideas, and perspectives.

## **Democracy Frontliners**

The Index estimates that it will take 107 years to close the gender gap in Political Empowerment as narrowing the disparity also requires addressing other gender inequality issues such as discrimination against women and wage gap. In spite this, East Asia and the Pacific is making gradual, but tangible progress.

The Philippines has landed consistently in the Top 10 since the report was launched in 2006. This year,



it ranks 8th closing just under 80% of its overall gender gap, with strong scores on Political Empowerment. The Philippines has had two female presidents, and its current vice president is a woman.

Singapore (67) and Malaysia (101) have also taken a leap forward in this subindex. Singapore saw its first female head of state while Malaysia (101) recorded a greater participation of women in parliament.

The rise of misogynist leaders threatens a reverse of these improvements. Political persecution by tyrants, including arbitrary arrest and public vilification, has become common news headlines, further restricting the political space for women.

“It is mostly men who are responsible for democracy’s deterioration. These struggles, though, are not necessarily between genders but between courage, conviction and character as epitomized by women versus the guns, goons and gold perpetuated by the patriarchs of patronage politics and their cohorts,” writes John Coronel, author of the book *Compelled by Duty, Conscripted by Destiny: Portraits of 16 Asian Women at the Frontline of Democratic Struggle*.

What these challenges bring about, however, is a stronger network of support for women’s rights, a rekindled inspiration to discover what women can achieve, and a chance to close the gap in this lifetime.



**FRIEDRICH NAUMANN  
FOUNDATION** For Freedom.  
Southeast and East Asia



Democracy is never safe. Defend it.



# FNF's 60th Anniversary

## **An incessant commitment to defend democracy**

"The Friedrich Naumann Foundation (FNF) was founded with one mission: to promote democracy - provide political education for citizens so they understand democracy, they cherish democracy, and if needed, they defend democracy," said Moritz Kleine-Brockhoff, Regional Director for FNF Southeast & East Asia region. "We've been doing our work for 60 years, and we will continue doing

it because it is our belief that democracy is never safe," he added.

Kleine-Brockhoff assumed the role of regional director in November 2018, and participated in the month-long 60 Years celebrations organized in FNF country offices in the Malaysia, Myanmar, the Philippines, Thailand, and Vietnam.



In Malaysia, German Ambassador Nikolaus Graf Lambsdorff to Malaysia expressed his wish: "It would be great if at least some of the achievements of the 9th of May could become irreversible." The general election in Malaysia on May 9th 2018 saw the triumph of democracy when the opposition unseated the party that had been in power for more than 60 years.

FNF Myanmar presented the Digital Courage Award to Myanmar ICT for Development Organization (MIDO). MIDO promotes digital security, monitors online hate speech and develops counter speech, and produces handbooks on peace mobilization online. FNF recognizes the risks of digitalization, and works towards translating these into opportunities that create a more open society.

Philippine Vice President Leni Robredo reminded the audience to "defend people's rights in the law

especially those who have nothing else but the law." In her Freedom Speech, she stressed that "As liberals and democrats, our agenda should be clear as day: that our freedoms are theirs, too, and that their fight for these freedoms is ours, too."

Representatives from government, civil society, and media gathered in the event in Thailand showcasing the wide network and strong partnership that FNF has built all these decades. "FNF stands for Freedom. The letter N stands for Network. And F stands for Future, a modern and forward-looking organization," said Katrin Bannach, FNF Head of Thailand and Myanmar Office.

The 60 Years program in Vietnam highlighted FNF work in advancing economic freedom. The liberalization of the economy has made Vietnam the fastest-growing economy in the region.

# 60 Years Diaries

## **FNF is only as strong as its partners**

The Regional Office produced a series of feature stories to celebrate individuals and organizations who support the advocacies of the Foundation.

They each have a different adventure set against their distinct backgrounds, and with varying extraordinary hurdles. Yet one thing is common in their narrative: tenacity, not only to achieve their own dreams, but also to help others realize their full potential. Theirs are stories of freedom.



### **Atty. Cathy Alvarez**

*Alumna, Ateneo Human Rights Center  
Philippines*

An alternative lawyer who defines success as being able to teach the law, and helping others find freedom in dignity



### **Prof. Vitit Muntarbhorn**

*Member, Working Group for an ASEAN Human Rights Mechanism  
Thailand*

A professor whose generous spirit enables sustained optimism for the establishment of a mechanism for the protection of human rights in the ASEAN region



### **Danyal Abdulloh**

*Former Chair, Dream Youth South  
Thailand*

A student leader who strives to guarantee that his peers and the next generation can enjoy a life of peace and prosperity



### **DJ Nana**

*Social media celebrity  
Cambodia*

An online celebrity who wields power using her fingertips, and who enables others to have the same influence

**Read their Freedom Journey at [asia.fnst.org](http://asia.fnst.org)**



# SEEAsia, Experience Freedom

## **FNF Offices in Southeast & East Asia**



### **HONG KONG**

The Global Innovation Hub in Hong Kong is a core platform of FNF for innovation. It scouts for innovative tech trends, assess their relevance from a liberal perspective, and contribute to making them accessible to a wider population.

New technologies harbor both opportunities and threats for freedom. Liberals strive to utilize the opportunities, and contain the threats with expertise, anticipation, and practical policy solutions.

The Global Innovation Hub facilitates exchange between policy makers, startup communities, and technology experts to create a more digital society.



### **INDONESIA**

FNF Indonesia highlights diversity and pluralism as important democratic values to promote human rights, supporting initiatives that would institute Human Rights Cities like what has been initiated in the local government of Wonosobo.

A nation's progress is determined by its openness to free market and competition. Poverty alleviation and wealth creation are accelerated through the principle of a social market economy, which also underscores the significance of economic freedom.

FNF Indonesia also recognizes the impact of climate change, and therefore spearheads programs to develop and exchange innovative ideas that would create disaster-resilient communities.



### **KOREA**

FNF Korea provides platforms to exchange innovative concepts as well as good practices from Germany and Korea, sharing smart solutions among local governments from both countries.

Local autonomy is promoted as an effective political concept to achieve prosperity and transparency in governance. Building Smart Cities is a way to realize this, where digitalization offers opportunities for innovation and economic value creation, increasing citizen participation, thereby strengthening democracy.

FNF Korea also demonstrates the value of a global community. Its programs with North Korea promote cooperation, and support integration towards a successful reunification.



## MALAYSIA

FNF Malaysia supports initiatives to fully realize the vision of “Malaysia Baru” (“A New Malaysia”), working towards a freer and more democratic society.

This entails raising citizens’ understanding and awareness of their political rights: upholding human rights and gender equality, including those of Muslim women, and defending freedom of speech and press freedom.

FNF Malaysia also contributes to advancing economic freedom, which can be enhanced through stronger trade relationships, further cementing Malaysia’s important role in the ASEAN Economic Community.

## MYANMAR

FNF Myanmar supports the democratic transition in the country by empowering local stakeholders through knowledge and skills building. It works with parliamentarians to develop well-informed policies and solutions.

Myanmar’s exceptional history and challenges can be overcome only by participatory means to foster inclusion and social cohesion. The basis of this is the acknowledgement of equal rights for all peoples, which is a core value of the Foundation.

FNF Myanmar also ties up with entrepreneurs who create a sustainable ecosystem and contribute to overall economic development. It similarly offers innovative and tech-oriented programs to harness the potential of digitalization.

## PHILIPPINES

FNF Philippines translates the complex concepts of freedom into everyday language through its campaign “It’s All About Freedom.” It aims to take advantage of modern and creative civic education tools to lobby for social and political reforms.

The Philippines is a country known to be the beacon of democracy in Asia, but the current challenges threaten to reverse this. Liberal democracy has to be upheld and human rights have to be protected, uplifting the dignity of every Filipino.

FNF Philippines strives to make the Philippines remain a pillar of freedom in the region and globally. It does this by helping to strengthen political party structures, and broadening the liberal base to include the academe and media as well as startups, extending to the wider public.

FNF is the creative innovation platform for the promotion of freedom.



## THAILAND

FNF Thailand aims to empower citizens to raise questions and take actions to foster an open society. It engages the youth early on to learn about their civic responsibilities through interactive learning tools like board games.

Civic education is important for democracy to thrive. Developing innovative materials to learn about governance, human rights, peace, and media freedom has become a priority for FNF Thailand, which has also served as its platform to strengthen its network among government, schools, and civil society organizations.

FNF Thailand further advances an open society by promoting an entrepreneurial spirit. It encourages new ideas, and offers replicable good practice examples through local and international exchange programs.



## VIETNAM

FNF Vietnam provides platforms for discussions on economic development. It has a solid network of institutions that offer expert knowledge on economic issues.

A social market economy guarantees poverty reduction while giving citizens greater access and participation in economic affairs. Vietnam's transformation into a market economy is a proof how a free market creates more prosperity and opportunities.

FNF Vietnam recognizes the contribution of entrepreneurs to economic growth, and therefore also offers space where they can develop their ideas.



# FNF ready for **digital solutions**

“One of our focus areas is digitalization. We want to show that FNF truly embraces the issue by adapting digital solutions in our internal processes. Then we are also able to do our work more efficiently,” said Siegfried Herzog, former Regional Director of FNF Southeast & East Asia.

The Foundation is moving its directory to OPAL Next, a customer relationship management system. The platform will allow the Foundation to reach more people and increase its visibility through data-oriented networking.

The Regional Office organized an OPAL Next workshop on July 4-6 in Bangkok, Thailand. Carrie Li from the FNF Global Innovation Hub in Hong Kong welcomed the shift from conventional formats to more sophisticated digital solutions. “Changes due to innovation are happening very fast, but we can see that FNF is catching up. We, too, are becoming digital changemakers,” commented Li.



# Creativity is viral

With communications becoming more important in the work of the Foundation, the Regional Office for Southeast & East Asia put together a program highlighting creativity as an essential aspect of communications – integrating theater arts to enhance storytelling skills, and immersing the participants in event photography and outdoor video shoot to build on their technical expertise.

“The workshop encouraged us to think out-of-the-box, which is imperative for us because the concept of freedom can be difficult to communicate,” said Danika Sarion of FNF Philippines.

FNF Head Office’s Communications Department was represented by Johann Ahlers who shared the Foundation’s branding strategy. The Philippine Educational Theater Association (PETA) conducted the collaboration and creativity exercises. Among the resource persons were Philip Chua of Twitter who reminded the group that it is the humanity of the message that defines it.

CLICK! Digital Skills Workshop was held on November 12-16, 2018 in Bangkok, Thailand.

# Time for Pan-Asia Meetings

## **FNF discuss regional challenges and solutions**



Political space continues to be constricted in Asia. Freedom of expression and freedom of the press are becoming more curtailed. The region is the focal point of the imminent change in world order given its proximity to China.

These are the pressing situations in Southeast & East Asia and South Asia where FNF maintains 12 offices.

“We want to develop new ideas and new ways to communicate within the Foundation and with people around the world,” said Steffen Saebisch, Chief Executive Officer of FNF. “We can and must change in order to become more visible, more digital, more innovative, more creative, and more efficient. Our goal is to be the creative innovation platform for the promotion of freedom,” he stressed.

Saebisch attended the FNF Pan-Asia Regional Meeting on April 16-19, 2018 in Colombo, Sri Lanka, the second time a joint meeting between the two regions took place in 10 years.

### **Role of organized liberalism**

Another Pan-Asia meeting was organized on October 5-8, 2018 in Bangkok, Thailand, with German Member of Parliament (MP) Bettina Stark-Watzinger participating. It was Stark-Watzinger’s first visit to Asia as member of the FNF Board in charge of the region.

Stark-Watzinger pointed out the greater need for organized liberalism worldwide. “There is so much more potential for liberalism. We must reach out to people who can be multipliers of our ideas,” she said.

“This inter-regional cooperation is also our response to increasing globalization. We’re sharing expertise not only to adapt to global trends, but to help shape them,” said Siegfried Herzog of former Regional Director of FNF Southeast & East Asia.



The AHRD is a commitment to protect human rights in the region.

## ASEAN must stand up to the highest human rights standards in the world

Human rights advocates in ASEAN join the celebration of the 70th Anniversary of the Universal Declaration of Human Rights (UDHR), expressing how ASEAN's own Human Rights Declaration (AHRD) must stand up to the highest human rights standards in the world.

"If there's any doubt as to what ASEAN peoples' rights are in the region under the AHRD, then reference can be made to the UDHR," said Edmund Bon Tai Soon, Representative of Malaysia to the ASEAN Intergovernmental Commission on Human Rights (AICHR) in a meeting with the Working Group for an ASEAN Human Rights Mechanism on December 1-2, 2018 in Bangkok, Thailand.

The AICHR was mandated to develop the AHRD. It was adopted in November 2012, with ASEAN leaders committing to "the full implementation of the AHRD to advance the promotion and protection of human rights in the region" as well as reaffirmed its commitment "to ensure that the implementation of the AHRD be in accordance with [its] commitment to the Charter of the United Nations, the Universal Declaration of Human Rights, the Vienna Declaration and Programme of Action, and other international human rights instruments to which ASEAN Member States are parties, as well as to relevant ASEAN declarations and instruments pertaining to human rights."

# A New Lens on **Economic Freedom in ASEAN**



Development in  
ASEAN has been slow,  
but steady.

Prosperity around the Southeast Asia region has risen fast in the last 50 years. More and more countries have moved away from communist and socialist economic policies, and instead opted for market-driven policies.

Myanmar, long one of the most isolated economies, has opened up. Vietnam, Cambodia and Laos have moved decisively away from communist systems and especially Vietnam is now a hot destination for

investment. The Association of Southeast Asian Nations (ASEAN) played a key role in this.

The ASEAN Prosperity Initiative (API) released two reports in December 2018 reviewing the development of ASEAN and its role in supporting the prosperity of its Member States and their citizens.

1) ASEAN Integration Report, providing an external assessment of implementation of AEC Blueprint 2025; and

2) EU-ASEAN FTA Report, examining the economic relationship between ASEAN and the European Union (EU)

API is designed to highlight issues and raise questions relating to prosperity in ASEAN. It offers a new lens for looking at the value of economic freedom, applying its concepts to real, tangible issues.

## **Forging ahead with economic integration**

The development in ASEAN has been slow, but steady. It has seen an expansion of trade and a deepening of economic cooperation, culminating by the formal start of the ASEAN Economic Community (AEC) at the end of 2015. A successor blueprint called the AEC Blueprint 2025 was adopted that lays out the work for ASEAN in the next 10 years. It demonstrates ASEAN's commitment to forge ahead with economic integration.

The AEC Blueprint 2025, which aims to address these more complex areas, has delivered significant achievements but remains behind schedule in many areas. There are a number of challenges with progressing implementation.

API identifies three linked sets of issues which contribute to slow progress in achieving ASEAN integration: institutional, economic and political. The consensus-based decision-making contributes to slow progress with the weakest member setting the pace, and drawn-out decision-making. In addition,



the different levels of economic level in the region present challenges. This economic diversity can motivate protectionist tendencies. Finally, ASEAN economic integration are not high-priority political issues domestically.

Highlighting the real-world benefits of ASEAN economic integration in terms that are accessible to the general public can help to build momentum for progress and ASEAN should therefore continue with a spirit of openness and transparency.

### **ASEAN and EU's economic and political relationship**

ASEAN and the European Union share a long standing and important economic and political relationship. The two regions share important trade and investment links and as the world's two largest economic blocs, they have much to gain from ongoing cooperation.

API recommends a region-to-region, EU-ASEAN Free Trade Agreement (FTA) to further strengthen this relationship. Other than delivering significant economic benefits on both sides as a result of increased trade and stronger competition domestically, a region-to-region deal would send a positive signal about the strength of a rules-based international trading system.

The report also lists a number of challenges to securing an EU-ASEAN FTA that will need to be addressed for progress to be made, including addressing concerns over industrial development, public policy freedom, and the negative adjustment associated with increased competition.

In the short term, the challenges with agreeing a region-to-region agreement mean that the EU should continue to pursue bilateral agreements with ASEAN Member States. The hurdles are significant, and agreeing bilateral deals remains a sensible strategy to ensure that progress is accelerated where possible. API is intended to engage a broader set of

stakeholders in the debate on the future of ASEAN, including business, academia and the general public. The reports were published by the Institute for Democracy and Economic Affairs (IDEAS), an independent research institute based in Malaysia, with the support of FNF.

If you wish to receive a copy of the reports, please email us at [contact@fnst.org](mailto:contact@fnst.org)

**ASEAN and EU support  
a multilateral rules-based  
system.**



# Digital Skills required to cope with Fourth Industrial Revolution



The business trend towards automation, machine learning, and artificial intelligence gives a notion of job losses. But the latest number in Germany, for instance, shows up to 90% of companies are looking for people. There is a caveat, however. Digital skills are necessary to qualify.

“We are seeing a gradual and evolutionary transition to digital business models. Naturally, businesses want to improve their efficiencies. The human capital is viewed as the limiting factor to this growth,” said Christian Blobner, Head of International Research Networks at Fraunhofer Institute for Factory Operation and Automation, a research institute in Magdeburg, Germany. “The current challenge now is investing in staff qualification at multiple levels. For the government, it means the promotion of lifelong learning,” he added.

The fourth industrial revolution, or what is dubbed as Industry 4.0 is defined as the networking of machines through extensive use of data. The session on Industrial 4.0 at the Jeju Forum on 27 June 2019 in South Korea attracted a room full of locals. South Korea is ranked as the most automated country in the world, while Germany is recognized as the architect of Industry 4.0.

“Industrial manufacturing plays an important role for the economies of Korea and Germany. With almost no natural resources, innovation is key for the success of our two economies,” said German Ambassador to Korea Stephan Auer. “Industry value

chains have stopped ending at national borders. Therefore, if we want to remain globally competitive, we need international cooperation,” he stressed.

Auer mentioned the close cooperation between the German and Korean government in the areas of innovation and support for small and medium enterprises. “We’re expecting big changes in the industrial, but also social and political landscape. I4.0 will change the way we live and work,” remarked Auer.

“We’re in an era where massive amount of data analysis together with automation and artificial intelligence can potentially become general purpose technologies,” commented Dr. Yong Suk Lee of Stanford University, USA. Lee shared how coding is taught as early as middle school in the US. “Digital skills have to be learned at an early stage. Then we can explore how to incorporate technology to solve social issues as well,” advised Lee.

The rise of smart factories also necessitates governments to review their policies. Blobner observed that “innovation always outpaces regulation.” But the General Data Protection Regulation (GDPR), passed by the European Parliament on 24 May 2016 and which came into force on 25 May 2018, was a welcome development. It guarantees the right to protection of personal data and regulates the processing and movement of such data. “This levels the playing field for the data economy,” stated Blobner.

Francis Fong, Honorary President of Hong Kong Information Technology Federation and Karena Belin of WHub, a startup community online platform, stressed that SMEs and startups should start to adapt to changes in industry processes.

The Jeju Forum is considered the Davos of East Asia. World leaders gathered for the event. The session on Industry 4.0 was organized by FNF and the Economic Freedom Network (EFN) Asia.

# Freedom Journey ASIA

Southeast & East Asia is a freedom destination. We're offering you a tour of the region, and letting you experience freedom!

Have you been to Malaysia, and observed the diversity of its people and culture? How about in Hong Kong, which is a hub of trade, not to mention of innovative ideas? Myanmar and Vietnam are bustling with tourists for their pagodas, but did you know that these states are abuzz with entrepreneurs as well? The world is invaded by KPop. Soon, Smart Cities based on the Korean model will reign, too!

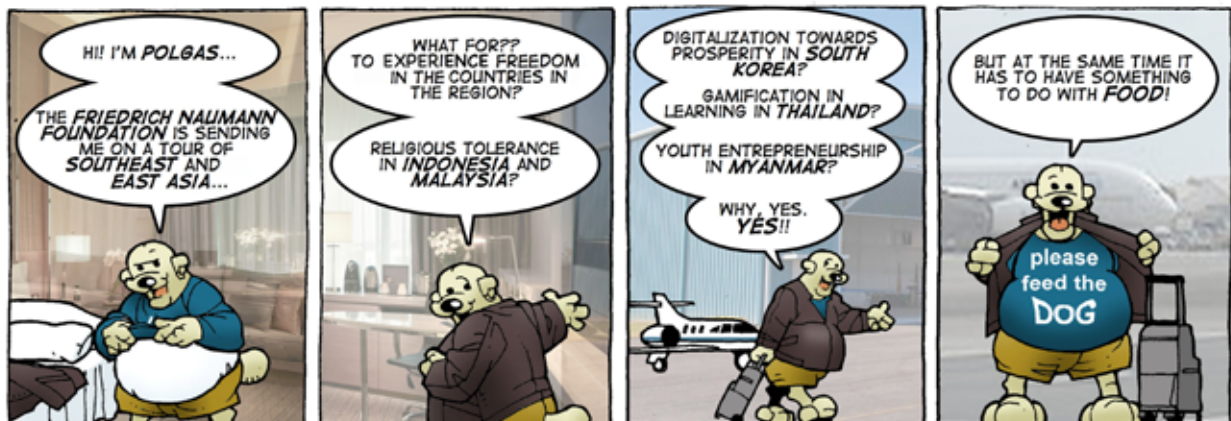
We'll take you to these places, and more!

Freedom is hard fought, and democracy is a journey. These may be abstract concepts to many hence, we would like to translate them into tangible experience, making them relevant to everyday lives.

To give you a taste of freedom - literally - is a food tour! Meet Polgas, a popular comic character in the Philippines, savoring the cuisine of Southeast & East Asia, and the flavors of freedom!



Scan the QR code to join our Free Food Tour!





**FRIEDRICH NAUMANN**  
**FOUNDATION** For Freedom.

Southeast and East Asia