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ASEAN and the EU: Different Paths to Community Building

By Ong Keng Yong and Kyaw San Wai

Synopsis

The launch of the ASEAN Community has drawn lukewarm responses as ASEAN has long been compared unfavourably with the European Union. The two are fundamentally different integration projects that have evolved as alternative models to community building.

Commentary

LEADERS OF the Association of Southeast Asian Nations at their annual summit on 22 November 2015 formally established the ASEAN Community. The realisation of the ASEAN Community is a momentous milestone in ASEAN's history but has met with lukewarm responses from various sectors of ASEAN society. Pundits questioned whether ASEAN had really become a community – they had compared ASEAN with the European Union, and were disappointed that ASEAN does not measure up to the level of integration achieved by the EU. There was nothing like the European Parliament or the European Court of Justice. Social activists argued that the ordinary citizens of ASEAN are mostly unaware of the community-building process or see no benefit from being part of it.

The business sector claimed that commercial transactions and investments across Southeast Asia are still challenging, with high and unprofitable cost of doing business. Skilled workers cannot move or work freely across national borders as in the EU. Political strategists were not at all sure that the ASEAN Community had secured the region's peace and stability. Economists, for their part, debated the value-added contribution of the ASEAN Community to Asia's dynamism and growth trajectory. The bottom line, in the view of many quarters, was a negative for ASEAN's community-building effort.

The bigger picture

While these commentators have raised important points, there is another side of the coin. It is crucial for everybody to appreciate what actually happened. The launch of the ASEAN Community is part of the strategic move by ASEAN leaders to get Southeast Asian countries to stay on the collective path of peaceful and sustainable development and make the organisation attractive as a viable political and economic partner for external powers interested in the region.

Despite each ASEAN member state having its own policy towards the major powers engaging Southeast Asia, there is a shared strategic outlook that the grouping should maintain a key role in the regional architecture, and that this can only be realised by having all ten ASEAN members hanging together.

What the EU has achieved in integration is instructive, but is not the model for ASEAN community-building. ASEAN remains an inter-government body, distinct from the EU's supra-national construct. Directly comparing ASEAN to the EU is not apt.

Though the ASEAN Community is a work-in-progress, member states are committed to make it work, albeit in a uniquely Southeast Asian way. Referred to as the "ASEAN Way", this is consensus-based decision-making at a pace comfortable to all, with non-interference in domestic affairs and flexibility in implementing collective agreements as guiding principles. It is unfair to say that ASEAN is an ineffective regional body that fails to meet the aspirations of the people of Southeast Asia. In the Southeast Asian context, punitive measures and an interventionist approach do not guarantee success. Moral persuasion, cooperation and collaboration can yield positive outcomes, though more time is required.

Different views

ASEAN and the EU are the two most prominent regional integration projects in the world today. However, they arose out of different contexts and have different visions and missions. European integration, after the two internecine World Wars and ideological divide of the Cold War, followed the modality of building institutions and setting common rules to minimise sovereignty.

Pooling sovereignty is a strategy aimed at reducing the potential for military adventurism as witnessed during the two World Wars. Integration across the European continent provides better security, sustaining peace and development.

On the other hand, the historical experiences of Southeast Asia are different. Many of the ASEAN member states are relatively young independent nations and view sovereignty as paramount and something to be jealously guarded. Building regional institutions is still a nascent idea. Globalisation and technological advancement have however enhanced the need for cooperation across national borders and ASEAN is nimbly trying to adapt to the changes in global dynamics – by integrating the member states' economies and social systems in a strategic collective to secure peace and development.

Substantive ties

Notwithstanding their differences, ASEAN and the EU have worked hard to cultivate significant political, economic and cultural ties over the years. Cooperation and collaboration provide a mutuality of support and an exchange of ideas and innovations beneficial for both. It is germane to highlight some important facts that buttress the ASEAN-EU relationship. The EU is ASEAN's second largest external trading partner at US\$248 billion for 2014 - around 10% of ASEAN's total trade. It is also ASEAN's largest external investor for 2012-2014 with more than US\$56 billion, with US\$29 billion alone in 2014, amounting to around 22% of total FDI inflow.

An ASEAN-EU Free Trade Agreement is unlikely in the foreseeable future but there is political understanding for this with work on concluding bilateral FTAs proceeding, albeit slowly. The EU has concluded negotiations with Singapore and Vietnam, while talks with Malaysia, Myanmar and Thailand are ongoing. Going forward, the prospects for more trade and investment are positive despite strong competition from elsewhere.

Air connections between ASEAN and EU cities by airlines from both sides provide nearly a quarter of a million seats per week. In 2014, the EU was the second largest external source of tourism in ASEAN, with around 9.3 million arrivals. At the same time, the EU is emerging as a preferred travel destination for the burgeoning ASEAN middle class.

Common challenges

The relationship between ASEAN and EU countries is not based on business and trade alone. In the socio-cultural arena, there are many projects that have added to the web of linkages and substantive ties. Arts, biodiversity, education, environmental protection, pandemics, post-disaster humanitarian assistance and science & technology are some of the areas covered in functional cooperation.

These platforms have brought about considerable people-to-people exchanges which are at the foundation of ASEAN-EU connectivity. And through more sharing and regulatory convergence in the areas where they can work together, there will be increased mutual understanding to cement ties between ASEAN and the EU.

Being the two regional integration works always in the news these days, comparing ASEAN and the EU will be unavoidable. However, such direct comparisons are not appropriate as the two groupings originated from different circumstances and are navigating through different terrains towards different destinations. Yet, they face common challenges in the 21st century and they can certainly offer each other valuable lessons in tackling the complexities of governance at the national, regional and international levels.

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