

European Union and ASEAN: A Comparison

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Abstract

European Union (EU) and Association of South East Asian Nations (ASEAN) provide one of the most successful examples of regional integrations, in a completely different milieu and historical background. In Europe, post 1945, regionalism emerged out of gradual process of integration from a six member organization to today 27 members European Union; from an inter-governmental organization to a supranational entity. On the other hand ASEAN was established in 1967 realizing the fact that internal conflicts will lead to external interference that will aggravate internal tensions and not motivated by a sense of common identity.

This paper attempts a comparative analysis of European Union and ASEAN

Keywords:

European Union; ASEAN; Formal Regionalisation; Informal Regionalisation; Supranationalism; Intergovernmentalism; Integration

Introduction

The European Union and ASEAN are two regional organisations that were formed with the intent to avoid conflict and tension among the nations in the region and grow economically. EU was set up with the aim of ending the frequent wars within Europe. Extreme form of nationalism had devastated the continent. European integration was seen as the remedy to create a no war zone within Europe. Today the European Union is the most integrated regional entity. Any discussion about regionalism in the world economy inevitably refers, explicitly or

implicitly, to the experience of European integration.

When the ASEAN was formed where each member had a territorial dispute with at least one of their neighbours yet it kept those issues aside and focused on economic cooperation. Today it provides a successful example of regional integration in Asia.

However, EU and ASEAN are not similar institutions. The culture and historical milieu of both the organisations have impacted the trajectory of their evolution. The paper attempts to compare the two models of regionalisation.

Methodology

The paper is mainly based on secondary sources. The paper depends upon analytical studies relevant for the study. It relies heavily on books and scholarly articles of Richard Higgott, Helen Wallace, Finn Laursen, Walter Mattli and Amitav Acharya.

Before taking up a detailed comparison of the two models, a brief discussion of the history of EU and ASEAN would be in order.

European Union

The two World Wars made the West European states realise that they could no longer pursue their own short term interests with scant regard for the consequences of their actions on their neighbours.¹The aftermath of Second

¹ Gilbert, Mark (2012), *European Integration: A Concise History*, US: Rowman and Littlefield Publishers: 2

World War offered a prospect of utter misery and desolation. Europeans felt hopeless and exhausted. Europe was not just after peace but also after solution to economic problems, such as raw material being in one country and the industry to process them is in another country. Thus, the objective of peace went hand in hand with desire to ensure that Europe was able to get back on its feet economically after 1945.²In order to do this six neighbouring countries agreed in the treaty of Paris to form an area of free trade for key resources including coal, steel and iron ore, chosen for their key role in industry and the military. This body was called the European Coal and Steel Committee (ECSC). The ECSC was much more about just coal and steel. It was to first step forward towards federation of Europe. It was expected that ECSC would lead to shifting of loyalties of political actors in several distinct national settings towards a new centre, whose institutions possess or demand jurisdiction over the pre-existing nation state.³

The Treaty of Rome established the European Economic Community (EEC or EC) in 1957, a customs union among the six member countries of the ECSC. Finally in 1992, the treaty of Maastricht was signed which laid the foundation of modern day European Union. Today the EU has expanded to 28 member countries.

ASEAN

ASEAN succeeded the two organisations-the Association of Southeast Asia (ASA) and MALAPHINDO (an abbreviation for Malaysia, Philippines and Indonesia in 1967). Its formation was strongly influenced by both international and regional circumstances. On 8 August 1967, five leaders - the Foreign Ministers of

Indonesia, Malaysia, the Philippines, Singapore and Thailand signed in the Thai capital of Bangkok, a Declaration, by the virtue of which the Association of Southeast Asian Nations (ASEAN) was born. The document that they signed was entitled the ASEAN Declaration and thereafter is also known as the Bangkok Declaration. By 1999, all of Southeast Asia countries had come into the ASEAN family, closing the divisions between ASEAN and non-ASEAN. This has since been regarded as a major contribution to regional peace and stability. In November 2007, ASEAN leaders signed the historic Charter, designed to help bring the region together as one community. It entered into force on 15 December 2008. In its existence of over five decades ASEAN is still in the process of strengthening but still it provides a worthy example of regional integration especially to the countries of Asia.

EU and ASEAN- A Comparative Study

The difference between the two organisations can be understood through the concept given by William Wallace (1990) called **formal and informal integration** and Richard Higgott (2006), who makes a distinction between “**de facto economic regionalisation**” and “**de jure institutional regionalisation**”. The former refers to integration via the emergence of transnational space among private market actors. The latter sees integration led by the formal authority of government actors through treaty or agreement.⁴

Neither of these exists independently without the presence to some degree of the other form; however these levels vary considerably from one regional entity to the other depending on the role, and preferences, of State actors in

²Cini, Michael and NPS Borragan (2013), *European Union Politics*, UK: Oxford University Press: 3

³ Haas, E.B (1958), *Uniting of Europe: Political, Social and Economic Forces, 1950-1957*, US: Stanford University Press:16

⁴Breslin, Shaun and Richard Higgott (2010), “New Regionalism(s) in the Global Political Economy: Conceptual Understanding in Historical Perspective” in Shaun Breslin and Richard Higgott (eds.) *International Relations of Asia Pacific*: Sage: London: 116

the processes.⁵ *De facto* regionalisation is driven by growing intra-regional trade and foreign direct investment. It is not driven by policy or governments. For this reason it can also be seen as structural. The driving force behind it is the globalisation of production networks—uniting myriad production units for the provision of components, materials and management for particular product assembly in numerous countries, thus fostering a continued momentum towards the further integration of economies within and across regions based on webs of production, sourcing and distribution.⁶

While EU on the other hand represents ‘regionalism’ as government driven process of successive pooling of sovereignty into common institutions (integration).⁷ The process of European integration has taken the form of progressive construction of an institutional architecture, a legal framework and a wide range of policies.

Europe had suffered from centuries of war resulting from extreme sense of nationalism of the nation state. The main aim of a regional organisation was to blunt the sword of nationalism. Thus, the approach adopted was **supranationalism**. On the other hand, the nations in Southeast Asia barring Thailand had experienced colonialism. There were struggle of national movements for independence in this region. Hence, the idea of regional integration here was conceived to protect their new found independence from external powers. Sovereignty was zealously guarded by these nations. Therefore, ASEAN adopted an

intergovernmental approach. This relationship with nationalism is one of major factors explaining different trajectory of the two organisations.

ASEAN represents **soft regionalism** as its goal was cooperation without integration until very recently. Decision making is non-legalistic, informal style in this region. There exists a dense network of informal gatherings and working groups.⁸ This informal style of decision making incorporates its own innate code of conduct that is, often referred to as **ASEAN way** or ‘soft institutionalism.’⁹ This approach involves a high degree of discreetness, informality, pragmatism, expediency, consensus-building, and non-confrontational bargaining styles which are often contrasted with the formal bureaucratic structures and legalistic decision-making procedures in European Union.¹⁰

The founders of European integration aimed at political integration. Economic integration was a step towards this aim. **European Coal and Steel Community (ECSC)**, established by a treaty ratified in 1952, designed to integrate the coal and steel industries in Western Europe. Also created, in order to manage the ECSC, were a group of ‘supranational’ bodies: a Council of Ministers, a Common Assembly, a High Authority and a Court of Justice; all to legislate, develop ideas and resolve disputes. It was from these key bodies that the later EU would emerge, a process

⁵Camroux, David (), “The European Union and ASEAN: Two for Tango?”, *Europe and the World Governnace*, Europe: Notre Europe: 7

⁶ Pacific Economic Cooperation Council, San Francisco Declaration, San Francisco 1992 quoted in Soesastro, Hadi, Richard Higgott (1998), “Open Regionalism”, in HannsMaull, Gerald Segal, JusufWanandi (eds.), *Europe and the Asia-Pacific*, Us, Canada: Routledge: 96

⁷Jetschke, Anje (2012), “ASEAN” in Mark Beeson, Richard Stubbs (eds.) *Routledge Handbook of Asian Regionalism*: US, Canada: Routledge: 327

⁸Soderbaum, Fedrik (2009), “Comparative Regional Integration and Regionalism”, in Todd Landman, Neil Robinson (eds.) *The SAGE Handbook of Comparative Politics*: London: Sage: 485

⁹ Zhao, Suisheng (1998), “Soft Versus Structured Regionalism: Organizational Forms Of Cooperation In Asia-Pacific” in *The Journal of East Asian Affairs*: 12 (1): 96-134

¹⁰Acharya, Amitav(1997) 'Ideas, identity, and institution-building: From the 'ASEAN way' to the 'Asia-Pacific way'?', *The Pacific Review*, 10: 3, 319 — 346

which some of the ECSC's creators had envisaged, as they explicitly stated the creation of a federal Europe as their long term goal.

For ASEAN, supranational elements were never foreseen. The benefits of political integration in ASEAN are not yet fully acknowledged, economic integration is perceived as beneficial when it yields economic benefits for all parties involved.¹¹

ASEAN's evolution has been quite slow. Scholars have described ASEAN as making process not progress.¹² While EU, on the other hand has made progress quite fast. EU replaced the 19th century notion of sovereignty with the 21st century notion of interdependence and created the most open border for regional groupings which can be attributed as one of its biggest achievements and which also explains as to why the EU is hailed as a unique model.

Institutions

The EU has four main institutions. First is the Council of Ministers which is the central body. It is the decision-making institution. It meets once a month at the level of foreign ministers. The Council is responsible for intergovernmental cooperation in the EU, i.e. common foreign and security policy and justice and home affairs. The heads of state or government also meet normally twice a year together with the President of the Commission as the European Council, accompanied by their foreign ministers. There is an equivalent of these bodies in ASEAN. But the council of ministers of ASEAN normally meets only once a year. This council shapes common positions

¹¹Berkofsky, Axel (), "Comparing EU and Asian Integration Processes The EU a role model for Asia?", *European Policy Centre*: 7

¹² Jones, D.M and Michael L.R. Smith (2007), "Making Process, Not Progress: ASEAN and the Evolving East Asian Regional Order" *International Security*, 32(1): 148-184

amongst member states, but it does not have a legislative function. This is a major difference between ASEAN and the EU. Second institution is the European Commission. Its role is to act and to serve as the executive arm of the communities, to initiate community policy and to defend the community interest in the Council. In the legislative process the Commission is the sole body to have the right to draft a proposal. There is no institution equivalent to the Commission in ASEAN. The third important institution in the EU is the European Parliament. There are no national sections, only Europe-wide political groups. There is no comparable institution in ASEAN. The Court of Justice of the European Union is composed of 13 judges and six advocates general. The Court is requested to rule on the interpretation or to assess the validity of the EU law. Nothing like this exists in ASEAN. The founding treaty of ASEAN describes only the possibility of setting up a high council, of which the members would be ministers of the member countries. Its role is limited to ad hoc dispute settlement.¹³

The Council of the EU takes decisions, depending on the subject, upon unanimity or upon qualified majority. When qualified majority is used, the EU stops being an intergovernmental organization. No formal procedure of decision making exists in ASEAN. The feature of informality makes ASEAN lack internal motivation. It must rely on a change of external environment for change. External pressure, or crisis, can be a driving force for promoting the institutionalization and enlargement of ASEAN. This type of regional process is referred to as reactive (or exogenous) regionalism. For the European

¹³ European and ASEAN Integration Processes: Similar Models? H.E. Mr. Pierre Gramme and H.E. Mr. Lim Chin Beng <http://archive.unu.edu/unupress/lecture18.html>

Union, on the other hand, the driving force has been its members' own willingness, or endogenous factors. External pressure is important, but it is not the key to the evolution of the EU's institutionalization and enlargement. Although the Marshall Plan initiated by the US was a positive incentive for European integration, the Schuman Plan developed by European countries by themselves was the idea behind the initiative for a European Community. Achieving the Franco-German reconciliation and permanent peace on the European continent was the primary goal for the foundation of the European Community/Union.

Regional Policies

Regional policies at the EU level, are based on well-defined policy targets and using EU policy instruments. In the European Union reducing regional disparities between member states and future member states are aimed at by using policy instruments such as the Structural Funds. Apart from the Structural Funds, also a Cohesion Fund was established in 1994 in the fields of the environment and transport infrastructure of common interest, in order to promote economic and social cohesion and solidarity between member states. In ASEAN the major instrument for convergence and "sub-regional" development is sub-regional cooperation. The aim is to narrow the gap in the levels of development among member states and to reduce poverty and socio-economic disparities in the region, and for this reason, ASEAN supports the implementation and further development of growth areas. In sub-regional cooperation, ASEAN and the respective countries involved in the cooperation are actively supported both technically and financially by the Asian Development Bank (ADB). ADB is of course no financial institution created by ASEAN, comparable to the European Investment Bank. The fact that ASEAN regional development and convergence is to a considerable extent relying on a non-ASEAN

institution reflects the national rather than the supra-national approach to which the member countries of ASEAN adhere.¹⁴

ASEAN region is heterogeneous region unlike the European Union which is a homogeneous region. The heterogeneity exists not only in religion with Muslim, Buddhist, Hindu and Christian religion co-existing but also in terms of the political environment. Democracy, Monarchy and autocracy all are present in this region as against the presence of Christianity in religion and democracy in political system in the European Union.

The diversity of ASEAN economies and their varying levels of openness present a unique challenge in achieving regional economic integration under the ASEAN Economic Community.

There is no denying the fact that EU and ASEAN are two standalone models. Their evolution was response to their specific experience- historical background, geography, political priorities and so on. EU and ASEAN have a universal message. If nation states are willing to cooperate, cooperation is possible. There was distrust and animosity within the nations of European Union and ASEAN at the time of formation. France and Germany shared historic rivalry, while in Southeast Asia each member had a territorial dispute with at least one of their neighbours yet it kept those issues aside and focused on economic cooperation. To overcome troubled relationships and conflicts with neighbours and flourish economically was at the heart of the intention to form the two regional groups, though European Union intended to integrate politically as well through economic integration.

While EU and ASEAN manifest difference on account of culture and history there are similarities, even if latent, between the two groups. Thereby, ASEAN and EU are at least comparable. The same

¹⁴ Prof. Dr. Ludo Cuyvers, *Contrasting The European Union And ASEAN Integration And Solidarity*, Centre for ASEAN Studies

hope peace and security, the safeguarding of national independence against interference from external actors, the research for economic prosperity and competitiveness in a globalizing world can be found in both the organisations. In 2008, the ASEAN Charter gave ASEAN a legal personality. Thus, it can be part of international agreements and may conclude agreements on its own. However, the competence in deciding to stay remains with the member states. These initiatives reflect willingness to move towards integration from cooperation. The European Union has been one entity comprising three pillars.¹⁵ The Asian financial crisis presented unprecedented challenge before ASEAN. It revealed the extent to which the South East Asian region was interdependent. The association embarked on building new regional capacities inspired by the European experience in response to the increasing economic challenges. ASEAN aims at achieving the ASEAN Community- ASEAN Economic Community, the ASEAN Security and Political Community and the ASEAN Sociocultural Community by 2015. These Communities look similar to the communities of European Union. It can be compared to the three pillars of European Union- the Community Pillar, the Pillar of Common Foreign and Security Policy and the Pillar of Police and Judicial Cooperation.¹⁶

Moreover, the EU which is often offered as a textbook example to be followed by other regions, including Asia, there are lessons for European Union to be learnt from ASEAN: the principles of pragmatism and flexibility, including high

¹⁵Lempkowski, Mateusz (2010) Trade and Regionalism: The European Union and ASEAN in a Comparative Perspective, Budapest Hungary

¹⁶ Yeo Lay Hwee (2010), "From AFTA to ASEAN Economic Community Is ASEAN Moving Towards EU Style Economic Integration" in Finn Laursen (ed.) *Comparative Regional Integration: Europe and Beyond*, Ashgate Publishing Limited: UK, USA: 216

flexibility of labour markets and a high degree of adaptability.¹⁷

Conclusion

The difference between the EU and the Asia-Pacific in both the levels of intent and capability in international economic policy co-ordination is stark. The EU is the most developed and most cohesive example of regional economic co-operation to date. Integration is a highly relevant concept. Indeed, there is a debate over whether a 'European State' is in the making.¹⁸ ASEAN, on the other hand is a nascent when compared to EU. And it should not be expected to follow the path followed by EU. Europe's present cannot be Asia's future. Different variables, or similar variables in different contexts, are likely to yield different outcomes. As Europe had great visionaries such as Jean Monnet, Robert Schumann, and Altiero Spinelli, Asia needs its own champions for regionalism: individuals with great ideas who can inspire national leaders and make the region speak a more prominent common voice in global forums.¹⁹ Moreover, there has been a desire for avoidance rather than emulation of, the Brussels mode. The time lag between European developments and the construction of regional orders elsewhere has meant that region-building elites have had the opportunity to learn from the EU's experience.²⁰ The approach that is emerging in the Asia-Pacific is less institutionalized than in Europe,

¹⁷Capannelli, Giovanni (2009), "ASIA and EUROPE: Comparing Approaches to Regionalism", *Development Asia: Issue 3* Url: <http://development.asia/issue03/cover-04.asp> access date: 16-12-2014

¹⁸Higgott, R.A.(1998), *The International Political Economy of Regionalism: Europe and Asia-Pacific Compared* in WD Coleman, Geoffrey D. Underhill (eds.) *Regional integration in the global economy: Europe, Asia and the Americas*. Routledge: London: 62

¹⁹Capannelli, Giovanni (2009), "ASIA and EUROPE: Comparing Approaches to Regionalism", *development Asia: Analysing issues that matter:* Asian Development Bank

²⁰ Op. Cit. Breslin and Higgott: 113-114

representing a deliberate choice to avoid legal formalism of the EU.²¹

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²¹ Op. Cit. Higgott: 63

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