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ASEAN Focus



**ASEAN AND
THE EU IN
PERSPECTIVE:
BREXIT & BEYOND**

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Editorial Notes

The world held its breath on 23 June 2016 as 51.9% of the British voters voted the UK out of the European Union, leaving behind a deeply divided country, a smaller EU and a world still in some form of financial and economic shock.

Brexit was a concoction of many misfortunes: a political gamble by Prime Minister David Cameron that in the end cost him the very premiership he had sought to consolidate; tensions that have festered for decades between supporters of British sovereignty and the European project; a disenchanted English populace who felt left behind by the unrelenting waves of economic integration and liberalisation; and the distorted facts and unfounded myths fueled by a lack of understanding of the EU and anti-immigration sentiments. It was a revolt against the untrammelled globalisation of the past decades, which might have lifted hundreds of million people out of poverty but failed to close the gaping economic disparities even in developed countries.

Beyond the UK and Europe, Brexit has impacted the world in profound ways. Apart from the economic consequences and the prolonged uncertainty, its ramifications on regionalism will be far-reaching, not least in East Asia and ASEAN in particular. The exit vote dealt a heavy blow to the EU project. As disruptively transformative as it were, Brexit has led to more questions than answers. What will be the future of regionalism in the midst of soaring nationalism and populism in different parts of the world? How will the EU steer its course ahead without the UK in its fold? What will be the security and business impacts of Brexit on Southeast Asia and ASEAN?

In this Special Issue of ASEANFocus, we aspire to put ASEAN and EU regionalisms in perspective in the wake of Brexit. While pursuing different models of regional integration, both have served as anchors of the Southeast Asian and European regional architectures respectively. Both have been playing a central role in preserving peace and promoting prosperity in their regions and beyond. A setback of this magnitude is neither desired nor anticipated, but, having happened, it offers an opportunity for reflections on the integration path and instilling a renewed sense of purpose for both the EU and ASEAN.

This Special Issue on ASEAN/EU starts off by delving deeper behind some of the facile comparisons between ASEAN and the EU in order to provide a more holistic picture of both organisations. We cast a spotlight on why ASEAN matters to the EU and vice versa, with the EU Ambassador to ASEAN Francisco Fontan Pardo providing an EU perspective, and Dr. Yeo Lay Hwee giving the ASEAN one.

As the world reels from the shock of Brexit, Christopher J. Humphrey gives us an optimistic view on the prospects of EU businesses in Southeast Asia, noting that the underlying fundamentals of this trading relationship remain unaltered. Ambassador Jørgen Ørstrøm Møller shares with us his perspective on the impacts of Brexit on the EU. Professor Reuben Wong assesses Brexit's implications on British and EU foreign policy in Southeast Asia. Last but not least, the ASEAN Studies Centre team rounds up this Special Issue with a full reflection over the lessons that ASEAN could learn from Brexit. ■

Britain & the European Union: The Separation

THE BRITISH HAVE VOTED TO EXIT THE EUROPEAN UNION.
WHAT LIES AHEAD FOR THEM AND EUROPE?

BY NUR AZIEMAH AZIZ

23 June 2016 went down in history as the date where 51.9% of the British voters chose to leave the EU while the remaining 48.1% chose to stay. The voting maps showed that both England and Wales voted strongly for Leave whilst Scotland and Northern Ireland preferred to remain within the EU. This decision immediately invited chaos – the pound crashed to a 31-year low; Prime Minister David Cameron, the architect of his own unintended fiasco, stepped down; and the prospect of another Scottish independence vote loomed even larger. Brexit critics considered this a mistake of historic proportions for exposing Britain to unfathomable economic and political uncertainties. Meanwhile, the Leave camp touted that “the dawn is breaking on an independent United Kingdom”.

The Leave camp argued that Britain no longer economically benefited from EU membership since the accompanied

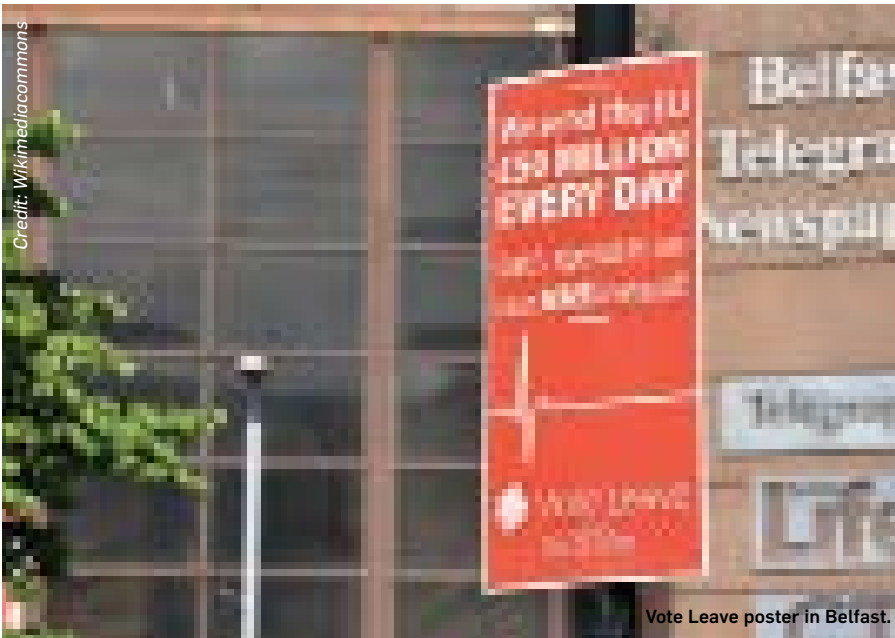
cost was not commensurate with the returns. They made, and later backtracked on, a claim that the UK out of the EU would be able to save almost £350 million a week. Many voters for ‘leave’ believed that the Single Market had failed the UK and the EU’s idealistic integrationist approach was hurting British small businesses. It also did not help that the EU was still managing an economic downturn, leading to the widespread Brexit belief that the UK outside of the EU would better manage its economy rather than being tied down by an underperforming EU.

At the front and center of the Leave campaign was the immigration issue. Free movement of people – no travel, domicile and working restrictions for EU nationals in another EU country – is one of the four freedoms that have made the EU what it is today. But it was also blamed for job loss, low wages and diminishing quality of life of locals.



Credit: Wikimedia commons

A house in Britain bearing the poster of the Remain campaign.



Vote Leave poster in Belfast.

“AS THIS IS THE FIRST TIME AN EXIT IS TAKING PLACE IN THE EU AS WELL AS GIVEN THE COMPLEXITIES AND INTRICACIES OF AGREEMENTS AND TREATIES BETWEEN THE TWO, THE NEGOTIATIONS PROMISE TO BE ARDUOUS AND THUS THE SEPARATION MAY TAKE LONGER THAN TWO YEARS.”

The arrival of hundreds of thousands of immigrants, partly from the Eastern European members, has resulted in deep resentment among many working-class regions in the UK. This problem was compounded by the EU’s on-going crisis in handling the influx of refugees from its neighbourhood. Further fueled by distortions and exaggerations by Leave campaigners, anti-immigration sentiments ran high and became a key factor behind the victory for Brexit.

Brexit, however, is far beyond economics. At the heart of this story is the longstanding ambivalence of the British towards the EU integration project. Being never purely European, due to its geography and extensive links with other parts of the world, the British have never been as strong European enthusiasts as their continental counterparts. Britain’s discomfort with and suspicion of the EU supranational governance have festered for decades. The Leave slogans “Let’s Take Back Control” and “We Want Our Country Back” therefore drew legions of supporters who genuinely believed that EU membership eroded British identity and sovereignty.

At the other end of the argument, the Remain camp argued that pooling part of sovereignty is pragmatically in Britain’s interest. Overwhelmingly supported by most economists, business leaders, experts and think-tanks, they made the case that the UK would be stronger and more prosperous and secure in the EU to counter the cracks the opposite team has painted. Alas, nationalist emotions prevailed and Brexit won the day.

So, what’s next for the UK-EU marriage? The referendum is not legally binding and there is still a chance of redemption, however slim, should the British Parliament vote to stay. Prime Minister Theresa May meanwhile unequivocally affirmed that “Brexit means Brexit and we [Britain] are going to make a success of it.” Nevertheless, the withdrawal

process remains unclear, and hinges on the UK’s activation of Article 50 of the Lisbon Treaty, which will only happen, according to some British press reports, in autumn 2017 at the earliest.

Upon the invocation of Article 50, the UK and EU will then have two years to agree on the terms of the separation, which would lay out the UK’s relations with the EU. If the negotiations reach an impasse at the end of the two-year period, both sides have the option of extending the negotiations or allowing the existing treaties to lapse, leaving the UK to fall back on bilateral arrangements with the EU members. As this is the first time an exit is taking place in the EU as well as given the complexities and intricacies of agreements and treaties between the two, the negotiations promise to be arduous and thus the separation may take longer than two years.

Beyond Britain, Brexit ramifications have been and are still being felt around the world. Among other things, it casts a spotlight on the desirability and sustainability of regionalism. While pursuing a different model from the EU, ASEAN also champions for regional cooperation and integration to maintain peace and promote prosperity amongst its members. Brexit woke us to the reality that national imperatives and narratives could have the upper hand in regional cooperation. Brexit however presents an opportunity to understand and strengthen ASEAN regional integration and cooperation plans. ASEAN can also take lessons from Brexit on identifying and addressing fault lines that could imperil its community-building efforts. Most importantly, ASEAN should not take its unity for granted. A Southeast Asian-Brexit may be unthinkable now but is not beyond the realm of possibility. ■

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Diverging Regionalisms: ASEAN and the EU

ASEAN AND THE EUROPEAN UNION HAVE DRAWN MANY COMPARISONS.
ASEANFOCUS EXAMINES THEIR SIMILARITIES AND DIFFERENCES.

BY HOANG THI HA; MOE THUZAR; SANCHITA BASU DAS; TERMSAK CHALERMPALANUPAP

I. BACKGROUND AND FOUNDING INSTRUMENTS

1 WHAT IS THE POLITICAL SIGNIFICANCE OF THE EUROPEAN UNION IN COMPARISON WITH THE ASEAN COMMUNITY?

The EU today started with the European Coal and Steel Community (ECSC) established in 1951 by Belgium, France, the Federal Republic of Germany, Italy, Luxembourg, the Netherlands. The ECSC pooled the control of these strategic resources and developed common economic interests among the erstwhile enemies, making any war between them “not merely unthinkable, but materially impossible”. The European Union was awarded the Nobel Peace Prize in 2012 for being a key force that has guaranteed peace and stability in Europe since the end of World War II.

The pooling and delegation of national sovereignty has brought about a dual supranational and intergovernmental character to the EU. The EU project is also notable in its high degree of institutionalisation and legalism, as reflected in its complex web of institutions and a comprehensive framework of treaties, rules and procedures that govern the way the Union works.

Born more than 15 years later, ASEAN was a regional project of the countries just emerging from a colonial past. The birth of ASEAN manifested their shared outlook to get over their bilateral problems to focus on nation-building, and promote regional peace and resilience amidst the volatilities of the Cold War. While ASEAN has evolved significantly since then with the growing prominence of economic and socio-cultural cooperation, preserving peace and stability in the region has been and largely remains at the core of its existence.

Unlike the EU, ASEAN pursues intergovernmental cooperation among the sovereign equals with decision-making based on consultation and consensus. ASEAN regionalism is therefore characterised by a low level of institutionalisation and the ASEAN Way which places emphasis on quiet diplomacy and informal mechanisms. However, following the ASEAN Charter and with the advent of the ASEAN Community, ASEAN is trying to transform itself into a more rules-based organisation with more effective institutions.

2 WHAT IS THE SIGNIFICANCE OF THE MAASTRICHT TREATY AND THE BANGKOK DECLARATION?

Signed in 1992 by the then 12 member states of the European Community and entering into force in 1993, the Treaty on the European Union (TEU), widely known as the Maastricht Treaty, was an important milestone in the EU construction and integration process. Born right after the end of the Cold

War, the Treaty injected a renewed sense of purpose and commitment to the EU project towards deeper integration not only in economic but also political terms. The Maastricht Treaty effectively gave rise to the establishment of the European Union by absorbing the three European Communities as one of the EU’s three pillars. It went beyond economic integration to include the other two pillars concerning a common foreign and security policy as well as police and judicial cooperation in criminal matters.

The Maastricht Treaty carries further the aim for economic union enunciated in the 1986 Single European Act by providing for the establishment of a single European currency.

The Bangkok Declaration is ASEAN’s founding document signed in 1967 among five original members, namely Indonesia, Malaysia, the Philippines, Singapore, and Thailand. The goals and objectives for the birth of ASEAN as laid down in the Declaration have inspired ASEAN community-building and regional integration over the past five decades, namely to accelerate economic growth and social progress and promote regional peace and stability through good neighbourliness, adherence to the rule of law, and meaningful cooperation in economic and functional areas.

The Declaration also prescribes the original machinery of ASEAN, which comprised the annual ASEAN foreign ministers meeting, a standing committee, *ad hoc* committees on specific subjects, and national secretariats in each member country.

3 WHAT IS THE SIGNIFICANCE OF THE LISBON TREATY AND THE ASEAN CHARTER?

The Lisbon Treaty is the culmination of the review of the EU’s constitutional framework by amending the founding Maastricht Treaty and the Treaty of Rome. While falling short of an overarching constitution, it retains many provisions enshrined in the Treaty establishing a Constitution for Europe which failed to enter into force in 2005. It further consolidates the EU’s institutional framework by clarifying the distribution of competences across different bodies towards greater transparency, efficiency and coherence of action.

Significant institutional changes under the Lisbon Treaty include: (a) expanding the use of qualified majority as the standard voting procedure instead of unanimity in the Council of the EU in most policy areas; (b) establishing a permanent Presidency of the European Council to ensure continuity in its work; (c) consolidating the EU foreign policy structures towards greater coherence by creating the new single post of High Representative of the Union for Foreign Affairs and Security Policy (High Representative) supported by the European External Action Service; and (d) empowering the

European Parliament by extending the co-decision procedure to more policy areas and enhancing the role of national parliaments in the legislative processes of the EU. The Lisbon Treaty also entails important legislative changes, viz. making the Charter of Fundamental Rights of the EU legally binding; obtaining the consolidated legal personality for the EU by abandoning the structure of three pillars; and providing an exit clause to ensure the legal right of member states to leave the Union.

As for ASEAN, after more than 40 years of functioning as a loosely organised association, there was an urgent need to institutionalise and transform itself into a more rules-based organisation to meet the growing scope and complexity of regional cooperation. Towards this end, ASEAN member

states concluded the ASEAN Charter in 2007. The Charter provides the legal and institutional framework for ASEAN by giving it a legal personality, codifying its objectives and principles, and consolidating its organisational structure.

Following the entry into force of the Charter on 15 December 2008, ASEAN has further strengthened its legal and institutional framework. New bodies have been established, including the ASEAN Coordinating Council (ACC) and the three Community Councils to coordinate work both within and across pillars of the ASEAN Community; the Committee of Permanent Representatives to ASEAN (CPR) based in Jakarta, and especially the ASEAN Intergovernmental Commission on Human Rights (AICHR) which brings human rights to the mainstream of ASEAN cooperation agenda.

II. MEMBERSHIP

4 WHAT ARE THE CRITERIA TO JOIN THE EU AND ASEAN?

Accession to the EU is subject to rigorous criteria with specific and comprehensive parameters, tough negotiations and a thorough screening process. The applicant country must comply with the following criteria: (a) being geographically within Europe; (b) respect for and commitment to the democratic values set out in Article 2 of the TEU; (c) stable institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities; (d) a functioning market economy; and (e) the ability to take on and implement effectively the obligations of membership.

The applicant country must be granted candidate status before it could proceed with negotiations with other EU member countries, focusing on the ability and commitment of the candidate country to implement the EU laws. Running in parallel with the negotiations is a screening process monitored by the Commission to verify whether the EU laws have been transposed into the law of the candidate country. As a result of the negotiations, an accession treaty must be approved unanimously by the Council of the EU with the consent of the European Parliament. The treaty is then signed and ratified by each of the EU countries and by the acceding country.

Albania, Macedonia, Montenegro, Serbia and Turkey are currently five candidate countries for EU membership. Iceland applied to join in 2009 but has put on hold the negotiations and has not resumed the accession process.

As for ASEAN, the following criteria for membership are prescribed in the ASEAN Charter: (a) location in the recognised geographical region of Southeast Asia; (b) recognition by all

ASEAN Member States; (c) agreement to be bound and to abide by the Charter; and (d) ability and willingness to carry out the obligations of membership.

The ASEAN Summit decides on a new member's admission by consensus, upon recommendation of the ACC which comprises all ASEAN foreign ministers. The preparatory process and procedures for admission are set by the ACC. Upon approval by the ASEAN Summit, an applicant country must sign an Instrument of Accession to the ASEAN Charter.

Timor-Leste applied for ASEAN membership in 2011. The application is being considered by a Working Group of the ACC set up in 2012.

5 WHAT ARE THE EXIT PROVISIONS FOR THE EU AND ASEAN?

Article 50 of the TEU provides the legal right of any member state to withdraw from the EU in accordance with its own constitutional requirements. It also provides procedural requirements for withdrawal, including the notification to withdraw and negotiation of a withdrawal agreement between the EU and the leaving state. If no agreement is concluded within two years, that state's membership ends automatically, unless a joint decision by the European Council and the member state concerned extends the negotiation period. The agreement must be approved by the Council of the EU by a qualified majority, after obtaining the consent of the European Parliament.

There is no exit provision in the ASEAN Charter, nor has there been a case of withdrawal from ASEAN. The question of whether a member state has the legal right to withdraw from ASEAN is therefore mute and blurred. However, it can also be argued that, as a sovereign state, any ASEAN member can renounce its membership whenever it so decides.

III. LAW- AND DECISION-MAKING

6 WHAT ARE THE DIFFERENCES BETWEEN THE EUROPEAN PARLIAMENT AND THE ASEAN INTER-PARLIAMENTARY ASSEMBLY?

The European Parliament is directly elected by the citizens of EU member countries. Starting from a consultative assembly in 1952, the Parliament has evolved significantly over time

to assume important roles in the EU's law- and decision-making. The Parliament shares the legislative and budgetary powers with the Council of the EU. It does not have the power of legislative initiative which rests with the EU Commission. However, the Parliament has a right under the Lisbon Treaty to request the Commission to submit a proposal.

The Parliament exercises supervision and monitoring over all EU institutions, particularly the Commission with

the authority to approve the Commission or to force the Commission to resign as a whole. The Parliament also has its footprint in the Union's foreign policy since its approval is required for most of the international agreements entered into by the EU as well as for any EU enlargement.

There is no equivalent of the European Parliament in ASEAN. Being inter-governmental, ASEAN does not have a formal regional parliament. Although its members are national parliaments of all ASEAN member states, the ASEAN Inter-Parliamentary Assembly (AIPA) is not part of ASEAN's organisational structure and does not participate in its decision-making process. Listed as an entity associated with ASEAN, AIPA has a working relationship with ASEAN, especially through an annual interface with the ASEAN Leaders.

As suggested in its name, AIPA is aimed at promoting inter-parliamentary cooperation to facilitate the attainment of ASEAN goals rather than at forming a legislative branch of ASEAN. AIPA has its own organisational structure with its own Secretariat based in Jakarta. Unlike the European Parliament, AIPA has no legislative powers and its resolutions are non-binding.

7 HOW DO THE EU AND ASEAN ENACT LAWS AND MAKE DECISIONS?

There are three key players in the EU's law-making process, namely the European Commission representing the interests of the EU as a whole, the Council of the EU representing individual member countries, and the European Parliament representing EU citizens. The Commission initiates a legislative proposal while the Council and the Parliament jointly adopt legislation. EU legislation is composed of three key types: (a) binding regulations to be applicable in all EU countries; (b) directives to be transferred into national law as appropriate; and (c) decisions applicable to particular issues or specific organisations.

Legislation is adopted mainly through the ordinary legislative procedure (co-decision). With the Lisbon Treaty, co-decision became the main legislative procedure which puts the Parliament and the Council on an equal footing for the adoption of the vast majority of EU laws. Apart from co-decision, special procedures which are defined *ad hoc* in the relevant treaty articles, are also applicable in certain sensitive areas. These procedures include, among others: (a) consultation – the Council is required to consult the Parliament but is not bound by the Parliament's position, and can adopt legislation; (b) consent – the Parliament has the power to accept or reject any proposal but cannot propose amendments; and (c) single action by the Council – the Council can adopt laws without requiring the Parliament's opinion

in a few limited areas. The Council and the Parliament can also give the Commission the power to adopt non-legislative acts to amend non-essential parts of EU legislative acts or to ensure that EU laws are applied uniformly.

The process of law-making in ASEAN does not have the supranational nature and complexity as the EU. ASEAN's legal framework comprises two sets of agreements: (a) agreements concluded collectively by ASEAN member states either among themselves or with external parties, which create rights and obligations upon individual ASEAN members, e.g. the 2006 ASEAN Framework Agreement on Visa Exemption, and most of ASEAN economic agreements; and (b) international agreements between ASEAN and an external party which creates rights and obligations for ASEAN as a distinct entity from its member states. The Secretary-General of ASEAN (ASEAN SG) is customarily authorised by the ASEAN foreign ministers to sign such agreements on behalf of ASEAN.

As a basic principle, decision-making in ASEAN is based on consultation and consensus. There is no voting procedure and consensus is sought through a 'no-objection' response from all member states. Decisions and agreements made at all levels of the ASEAN institutional spectrum follow this principle. There are certain exceptions to consensus in flexible participation in cooperation activities under the ASEAN Economic Community. A formula of ASEAN Minus X can be applied so that member states that are able and ready can go ahead with implementation of an AEC project or agreement while others can follow suit when they can. However, the decision to apply such ASEAN Minus X formula requires a consensus support of all ASEAN member states.

8 HOW DOES EACH EU AND ASEAN MEMBER COUNTRY COORDINATE POLICY FORMULATION AND IMPLEMENTATION OF DECISIONS AND AGREEMENTS AT THE NATIONAL LEVEL?

One key obligation of the EU membership is to transpose EU directives into national legislation and implement them effectively through appropriate administrative and judicial structures. The national transposition process will involve consultation with relevant domestic stakeholders, preparation of impact assessment, transposition plans and statutory instruments, and submission of these documents to the government and parliament for enactment. Each EU member state has a Minister for European Affairs or an equivalent post to coordinate government agencies in implementing EU legislation.

As the 'guardian of the Treaties', the Commission monitors and assists member countries in implementing all EU laws. It provides implementation plans and guidance documents and organises expert group meetings. The Commission will take



The ASEAN Flag signifies a peaceful, united and dynamic ASEAN. It features a red circle comprising ten rice stalks in yellow on a blue background. The original ASEAN Flag was first adopted in 1994 with only six rice stalks, representing the then six ASEAN member states. The current flag with ten rice stalks was adopted in 1997.

Each of the four main colours of the ASEAN Flag carries certain symbolic meaning: blue for peace and stability, red for courage and dynamism, white for purity and yellow for prosperity. The ten rice stalks within the circle represent all ten ASEAN member states bounded together in unity.

steps if an EU country does not fully incorporate a directive into its national law by the set deadline or might not have applied EU laws correctly.

Similarly, ASEAN member countries are required to take all necessary measures, including the enactment of appropriate domestic legislation, to effectively implement ASEAN agreements. This transposition would require (a) political will at the national level; (b) conformity of domestic laws with ASEAN agreements and consequent enforcement by the domestic courts; and (c) administrative structures in place for implementation. The ASEAN National Secretariats under Ministries of Foreign Affairs serve as national focal points in coordinating national implementation of ASEAN decisions/agreements in non-economic/trade areas.

The slow progress in implementation of ASEAN agreements is linked to the cost of setting up new mechanisms and bodies, and the lack of enforcement. As most of the legal regimes in ASEAN members follow the dualist system, this will require domestic legislation to give effect to an international treaty rather than consider it self-executing.

9 WHAT ARE THE DISPUTE SETTLEMENT MECHANISMS IN THE EU AND ASEAN?

The highest court on EU laws is the Court of Justice of the EU, whose mandate is to interpret EU laws to ensure its equal application across all member states. The Court can look into disputes between an individual EU citizen, company, non-governmental organisation, etc., and a member government or disputes among EU member states concerning application or interpretation of any EU law.

Theoretically there should be no trade disputes among the EU members due to their adoption of a uniform trade policy in the EU common market. Any such dispute will be

handled by the European Commission. Meanwhile, a dispute concerning human rights can be brought to the European Court of Human Rights under the Council of Europe, which has 48 member states, including 28 EU members. The Council of Europe is a European international organisation set up in 1949 to promote cooperation on democracy, rule of law, and human rights.

For ASEAN, following the entry into force of the ASEAN Charter, a protocol was signed in 2010 on dispute settlement mechanisms (DSM) concerning the interpretation and application of the ASEAN Charter and other ASEAN instruments. The Protocol contains operational details of specific DSMs such as consultation, good offices, mediation, conciliation and arbitration. However, the Protocol still needs five more ratifications to enter into force.

Trade disputes among ASEAN member states concerning implementation of ASEAN economic agreements can be referred to the 2004 ASEAN Protocol on Enhanced Dispute Settlement Mechanism (EDSM). But individuals and business companies cannot bring their case against any ASEAN government under the EDSM because it is an inter-governmental mechanism.

There is no regional human rights court in Southeast Asia. The ASEAN Intergovernmental Commission on Human Rights is not mandated to handle cases of alleged human rights violations of any ASEAN member government.

ASEAN has neither the authority nor a mechanism to make legally binding judgments on territorial disputes among its member states. Although ASEAN member governments can, with mutual consent, refer their disputes that disrupt regional peace and harmony, e.g. border disputes, to the High Council under the 1976 Treaty of Amity and Cooperation in Southeast Asia, this mechanism has never been invoked.

IV. INSTITUTIONS

10 WHAT ARE THE FUNCTIONS OF THE EUROPEAN COUNCIL AND ASEAN SUMMIT?

Comprising the heads of state/government of the member states, the European Council and the ASEAN Summit are the highest decision-making bodies in their respective organisations. They set the overall political and policy direction for the regional integration agenda. The two institutions hold powers of appointment: the European Council appoints its own President and the High Representative, and nominates the candidate for the President of the European Commission; the ASEAN Summit appoints the ASEAN SG and authorises the establishment and dissolution of ASEAN bodies and institutions.

The European Council meetings are informally referred to as “EU Summits”, harking back to the first informal summit meetings of the EU heads of state/government in the 1960s. The summits were formalised gradually to become an EU institution in the Maastricht Treaty and Lisbon Treaty. The European Council is required to meet at least four times a year. The European Council has its seat in Brussels, and has convened all of its meetings there since 2004.

The ASEAN Summit was not in ASEAN’s original machinery in 1967. The first ASEAN Summit was convened in February 1976 and became institutionalised over time. The ASEAN Charter provides for two Summits to be held in a year in the Chair country. The first Summit is among the ten ASEAN



The European flag was first chosen as the symbol of the Council of Europe in 1955. It was then adopted in 1985 as the flag of the European Communities which later became the EU. The European Coal and Steel Community (ECSC) used its own different flag until 2002 when it was subsumed under the single entity of the EU.

The European flag features a circle of 12 gold stars on a blue background, representing the peoples of Europe living in harmony and unity. Regardless of the number of the EU member states, the number of stars is invariably set at 12 – a symbol of completeness and perfection.

members while the second one would involve Summits with ASEAN Dialogue Partners both bilaterally as well as under the frameworks of the ASEAN Plus Three and East Asia Summit. The ASEAN Summit may also convene special meetings where necessary, especially to address emergency situations affecting ASEAN.

11 WHAT ARE THE ROLES OF THE PRESIDENT OF THE EUROPEAN COUNCIL AND THE ASEAN CHAIR?

Following the entry into force of the Lisbon Treaty, the President of the European Council has become a permanent and official position, appointed for a two-and-a-half-year term which can be renewed only once. This full-time presidency of the European Council is thus distinct from the rotational Presidency of the Council of the EU which does not have a permanent holder. The main responsibilities of this post include leading the work of the European Council by setting the EU's general political direction and priorities, facilitating cohesion and consensus within the European Council, and representing the EU externally on foreign and security issues in conjunction with the High Representative.

In ASEAN, the responsibility of chairing ASEAN and thus leading the regional agenda for that year is rotated annually among the member states. The ASEAN Chair hosts and leads discussions of the ASEAN Summits and key meetings held during the year of chairmanship. The ASEAN Chair is entrusted to ensure timely response to urgent or crisis situations affecting ASEAN, including through providing good offices, convening special meetings or issuing the ASEAN Chair's statements. One example is the initiative by Indonesia – the then Chair of ASEAN – to convene an informal meeting of ASEAN Foreign Ministers in February 2011 to discuss the Cambodia-Thailand border dispute.

12 WHAT DOES THE HIGH REPRESENTATIVE OF THE UNION FOR FOREIGN AFFAIRS AND SECURITY POLICY DO, AND WHAT IS ASEAN'S EQUIVALENT TO THIS POSITION?

The High Representative is the EU's chief diplomat and head of the External Action Service, which serves as the foreign service and diplomatic corps for the EU. The High Representative is appointed for a five-year term by the European Council with the agreement of the President of the Commission. Established under the Lisbon Treaty to streamline the foreign policy architecture of the EU, this post unifies the functions that were hitherto exercised by various actors, thereby helping to ensure consistency and coherence in the EU's external action. The High Representative is responsible for representing and coordinating in the implementation of the EU's Common Foreign and Security Policy (CFSP). That involves, among others, negotiating or speaking on behalf of the EU on foreign policy issues that have been agreed upon between the EU members; coordinating the work of the EU Special Representatives/Ambassadors to third countries; and representing the EU at international fora.

There is no equivalent of the EU's "chief diplomat" in ASEAN since ASEAN does not pursue a common foreign policy. The ASEAN Charter allows the ASEAN SG to present the views of ASEAN in engagement with external parties but such presentation must be mandated and in line with the positions that have been agreed to by all member states. The SG attends

all ASEAN ministerial and summit meetings with external partners but the authority to speak on behalf of ASEAN in these external engagements rests with the ASEAN country-coordinator. The ASEAN Charter assigns a bigger role to the ASEAN Chair to ensure ASEAN centrality and represent ASEAN in promoting relations with external partners. However, his/her speech and action on behalf of ASEAN must be coordinated and agreed to in advance by all member states.

13 HOW IS THE PRESIDENT OF THE EUROPEAN COMMISSION DIFFERENT FROM THE SECRETARY-GENERAL OF ASEAN?

The President of the European Commission is nominated by the European Council and elected by the European Parliament for a renewable five-year term. As the head of the European Commission, the executive and supranational arm of the EU which has the power of proposing EU legislation, the President plays a significant role in the EU institutional architecture. He is the chair of the College of Commissioners of 28 members. He gives policy direction to the Commission, assigns portfolios to each of the Commissioners, and leads the Commission's work in implementing EU policies. He is one of the top three representatives of the EU on the world stage, alongside the President of the European Council and the High Representative.

The ASEAN SG is appointed by the ASEAN Summit for a non-renewable term of five years, in "alphabetical rotation with due consideration to integrity, capability and professional experience, and gender equality" according to the ASEAN Charter. The SG, who is accorded ministerial status, has no direct role in ASEAN policy-making which is driven by member states' governments. However, he can directly exert certain influence by providing the institutional memory and expertise spanning across all areas of ASEAN cooperation, monitoring and reporting the implementation of ASEAN agreements/decisions, providing analysis and policy recommendations, and networking with different stakeholders.

14 WHO ARE THE EU CIVIL SERVANTS AND THEIR COUNTERPARTS IN THE ASEAN SECRETARIAT?

The EU civil service comprises all staff serving at the institutions of the EU, including the European Council, European Parliament and European Commission, among others. On average, each EU citizen pays about US\$19 for the EU administration annual budget which stood at €8.66 billion (US\$9.6 billion) in 2015. The Commission has 23,000 employees, with the President and the Commissioners forming the top level of administrators. They are assisted by a large number of professional assistants, secretaries, and clerks who are recruited by the European Personnel Selection Office in EU-wide open competition.

The SG presides over the ASEAN Secretariat with around 300 staff. The annual operational budget of the ASEAN Secretariat in 2016 stands at US\$19 million, which is the sum contribution of US\$0.03 from each of ASEAN's 635 million citizens. The SG is supported by four Deputy Secretaries-General who are accorded the status of deputy ministers. The mid-level of the ASEAN Secretariat's administration comprises Directors, Assistant Directors, and Senior Officers who must be ASEAN nationals.

V. POLITICAL-SECURITY COOPERATION AND EXTERNAL RELATIONS

15 HOW IS THE EU'S COMMON FOREIGN AND SECURITY POLICY DIFFERENT FROM THE ASEAN POLITICAL-SECURITY COMMUNITY?

The CFSP provides the framework for the EU to act with coherence in its external affairs. It remains an essentially intergovernmental process whereby the European Council decides the principles and strategies through unanimity, based on which the Council of the EU adopts joint actions/common positions. However, it carries certain supranational features, such as the office of the High Representative whose key roles are to coordinate and carry out the EU's foreign and security policy, using foreign policy tools such as development assistance, trade, humanitarian aid and crisis response. Another significant part of the CFSP is the Common Security and Defence Policy (CSDP) which covers the EU's military operations and civilian missions in conflict prevention, peace keeping and crisis management.

The ASEAN Political-Security Community (APSC) is not intended to establish a common foreign and security policy for ASEAN. Rather, it aims to promote dialogue and cooperation both among ASEAN members and with key dialogue partners on a wide range of traditional and non-traditional security issues. ASEAN members have committed themselves to adopting a more coordinated and cohesive ASEAN position and enhancing ASEAN capacity in response to global issues of common interest and concern. However, foreign policy remains the exclusive domain of each member country.

ASEAN defence cooperation does not have the strategic orientation and operational capacity as the CSDP either. Activities under the ambit of the ASEAN Defence Ministers Meeting (ADMM) have so far focused on dialogue, exchanges, confidence building and capacity building. Some practical cooperative activities in the field are mainly limited to humanitarian assistance and disaster relief exercises, which are far below the benchmark of military operations and civilian missions under the EU flag. An ASEAN Peacekeeping Force remains a proposal by some interested ASEAN members.

One important component of the APSC is 'political developments' to strengthen democracy, the rule of law, good governance and human rights. However, unlike the CFSP which uses sanctions as a tool to influence policies on human rights and democracy, the APSC does not purport to transform its member states to democracies. The nature of ASEAN cooperation on these matters is voluntary, promotional and incremental in nature, focusing on education, research, exchange of views and capacity building.

16 DO THE EU AND ASEAN HAVE A MILITARY ARM?

Both ASEAN and the EU do not have a military arm. ASEAN is never meant to be a defence pact and shies away from any form of military alliance. ASEAN defence cooperation is undertaken through the ADMM which brings together defence ministers of all member countries. Its extension – the ADMM-Plus – provides a platform for ASEAN and

its eight Dialogue Partners to promote defence diplomacy in the region. The work of the ADMM and ADMM-Plus has so far focused on dialogue, confidence building and functional cooperation, mostly in the realm of non-traditional security.

The EU has developed a higher level of military integration with intergovernmental institutions such as the European Union Military Committee and the European Defence Agency to implement the CSDP. Article 42 of the TEU also provides for the progressive framing of an EU common defence if the European Council so decides unanimously.

The EU maintains a strategic partnership with the North Atlantic Treaty Organisation (NATO) which includes 20 EU members and six other non-EU countries. Their strategic partnership involves political consultations, capabilities development and special arrangements for operations. Both sides have agreed on the Berlin Plus accords which enable EU-led operations to make use of NATO assets and capabilities in a crisis situation where the NATO chooses not to act in the first place. Two EU operations have been undertaken under these arrangements, including Operation Concordia in Macedonia (2003) and European Union Force Althea in Bosnia and Herzegovina starting from 2004.

17 WHO ARE AMBASSADORS TO THE EU AND AMBASSADORS TO ASEAN?

Member states of the EU and ASEAN send their Permanent Representatives to head their Permanent Missions in Brussels and Jakarta respectively. External countries can accredit their respective Ambassadors to the EU and ASEAN.

In the EU, the Committee of Permanent Representatives (COREPER) coordinates the work of over 250 committees and working parties. In the case of ASEAN, the Committee of Permanent Representatives to ASEAN (CPR) was formed in early 2009 following the entry into force of the ASEAN Charter. The CPR meets twice a month at the ASEAN Secretariat to coordinate and facilitate ASEAN community-building, external relations, development cooperation, preparations for ASEAN high-level meetings, and operations of the ASEAN Secretariat.

Many countries concurrently accredit their Ambassadors to Belgium as their Ambassadors to the EU. Likewise, many bilateral ambassadors to Indonesia concurrently serve as Ambassadors to ASEAN. 85 countries as well as the EU have appointed their Ambassadors to ASEAN. Nine out of 10 Dialogue Partners of ASEAN, including the EU, have set up their Permanent Missions to ASEAN in Jakarta, each of which is headed by an Ambassador to ASEAN, who is not concurrently accredited to Indonesia.

There are 139 EU Delegations and Offices operating around the world, representing the EU and its citizens globally. Unlike the EU, ASEAN does not appoint Ambassadors to other countries. Outside of the ASEAN region, ASEAN is represented by an ASEAN Committee in Third Country (ACTC), which is formed by ASEAN member states' Ambassadors to the host country. There are currently 50 ACTCs, in the capitals of all Dialogue Partner countries, at the UN in New York and Geneva, and at the EU in Brussels, among others.

VI. ECONOMIC INTEGRATION

18 WHAT ARE THE MAIN DIFFERENCES BETWEEN THE EUROPEAN COMMON MARKET AND THE ASEAN ECONOMIC COMMUNITY?

The Common Market, also known as the European Economic Community (EEC), was created with the Treaty of Rome (1957). A common market is essentially a first step towards a single market. While the Common Market was launched in 1957, the realisation of the European Single Market, which requires the free movement of goods, persons, capital and services, was only achieved in 1993. The Single European Act in 1986 describes the Single Market as “an area without internal frontiers in which the free movement of goods, persons, services and capital is ensured”, bringing down barriers and simplifying rules to enable individuals, consumers and businesses to have direct access within the EU.

The Single Market and the single currency, accompanied by a large number of common policies, have moved the EU closer to an economic union with no barriers between member states and a common set of rules for imports from third countries.

The ASEAN Economic Community (AEC) aims to deliver on free flow of goods, services, investment, and freer flow of capital and people to achieve a competitive ASEAN economic region. Another key objective of the AEC is to provide economies of scale in order to attract foreign direct investment. The AEC is being pursued through various actions such as elimination of tariffs and non-tariff barriers, trade facilitation measures, ASEAN Single Window, infrastructure building, and supporting small-and medium-sized enterprises. ASEAN+1 Free Trade Agreements (FTAs) also constitute an important pillar of the AEC which links ASEAN to economies beyond Southeast Asia.

The AEC has a long way to go in terms of integration, compared to what it aims to achieve and to what the EU has achieved. The biggest achievement thus far is in trade in goods with zero or low tariffs although non-tariff barriers remain a big issue. Intra-regional trade in the AEC stands at only 25%, compared to 64% in the EU.

19 WHAT IS THE EUROZONE? IS THERE AN ASEAN EQUIVALENT?

The Eurozone is a monetary union of 19 out of 28 EU members which uses a single currency, the euro. Established on 1 January 1999 with only 11 members, the Eurozone membership now includes Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia, and Spain.

Unlike the EU, ASEAN does not have a common currency.

20 WHAT ARE THE ROLES OF THE EUROPEAN CENTRAL BANK AND THE ASEAN FINANCE MINISTERS' MEETING?

The European Central Bank (ECB) is the central bank of the eurozone, responsible for defining monetary policy for all countries in the zone and managing the single currency. Its main task is to maintain price stability or control inflation by setting key interest rates and controlling the euro supply. The ECB is also the sole issuer of euro bank notes and manages the foreign currency reserves of the eurozone.

ASEAN - EU IN FIGURES

GDP

| | ASEAN GDP (billion USD) | Share to World GDP (%) | EU's GDP (billion USD) | Share to World GDP (%) | World GDP (billion USD) |
|------|-------------------------|------------------------|------------------------|------------------------|-------------------------|
| 2010 | 1,934 | 2.9 | 16,946 | 25.8 | 65,648 |
| 2011 | 2,234 | 3.1 | 18,321 | 25.2 | 72,843 |
| 2012 | 2,440 | 3.3 | 17,249 | 23.2 | 74,428 |
| 2013 | 2,501 | 3.3 | 17,986 | 23.5 | 76,431 |
| 2014 | 2,520 | 3.2 | 18,517 | 23.7 | 78,106 |
| 2015 | 2,442 | 3.3 | 16,229 | 22.1 | 73,434 |

(Source: World Development Indicators, World Bank)

TOURISM

| | EU tourist arrivals in ASEAN (in million) | Total tourist arrivals in ASEAN (in million) | Share to total (%) |
|------|---|--|--------------------|
| 2010 | 7.00 | 73.8 | 9.5 |
| 2011 | 7.36 | 81.2 | 9.1 |
| 2012 | 8.08 | 89.2 | 9.1 |
| 2013 | 8.69 | 102.2 | 8.5 |
| 2014 | 9.28 | 105.1 | 8.8 |

(Source: ASEAN Secretariat)

There is no ASEAN central bank. However, ASEAN has a range of mechanisms to foster ASEAN financial cooperation to support regional economic integration including the ASEAN Finance Ministers Meeting which convened its first meeting in 1997. The two financial crises – the Asian financial crisis on 1997/98 and the global financial crisis in 2008 – have set a challenge for ASEAN to sustain the economic recovery by implementing appropriate monetary and fiscal policies and strengthening reform measures. ASEAN member countries, together with China (including Hong Kong), Japan and the Republic of Korea, have set up the Chiang Mai Initiative Multilateralisation (CMIM) as a multilateral currency swap arrangement with the pool of US\$240 billion to support regional reserves and supplement international financial institutions. The ASEAN Plus Three Macroeconomic Research Office (AMRO) was established in 2011 as a surveillance unit of CMIM.

21 WHAT IS THE SCHENGEN AREA? IS THERE ANY COMPARABLE VISA-EXEMPTION ARRANGEMENT IN ASEAN?

The Schengen Area covers 26 European countries that have eliminated border controls at their mutual borders so as to enable seamless travel and transit both into and within the Area, using a common visa policy. 22 EU members (excluding the UK, Ireland, Bulgaria, Croatia, Cyprus, and Romania) and four non-EU member countries (Iceland, Lichtenstein, Norway, and Switzerland) are in the Schengen zone. Visitors from non-Schengen member countries require only one Schengen visa to enter the Schengen zone. The Schengen visa is not for long-term stay to work or to study.

In ASEAN, the concept of a common ASEAN visa for non-ASEAN citizens to promote ASEAN as a single tourism and business destination is being explored. However, this idea is unlikely to materialise soon due to strong concerns over sovereignty and security as well as technical difficulties.

Instead, ASEAN is prioritising the completion of a visa-exemption arrangement for its own ASEAN nationals and improvement of the member states' border management capabilities. ASEAN member governments have entered into bilateral visa exemption agreements since the mid-1970s, with the latest one between Myanmar and Singapore which

will go into effect on 1 December 2016. At the ASEAN level, the ASEAN Framework Agreement on Visa Exemption signed in 2006 would enable ASEAN nationals to travel visa-free among ASEAN countries up to 14 days, which is less than the duration allowed under most bilateral arrangements. The Agreement still needs three more ratifications to enter into force.

22 WHAT ARE THE RIGHTS OF EU AND ASEAN CITIZENS WITH RESPECT TO LIVING AND WORKING IN THEIR RESPECTIVE REGIONS?

One of the four freedoms in the EU is free movement of persons whereby EU citizens can travel, live, work and study in any EU member country, regardless of nationality (the other three are free movements of goods, services, and capital). All EU citizens are to be treated equally everywhere in the EU like national citizens of a member country in terms of political rights, human rights protection, social welfare benefits, and services of the EU institutions.

VI. GENERAL MATTERS

23 WHAT ARE THE CONTRIBUTIONS OF EU MEMBER STATES, COMPARED WITH CONTRIBUTIONS OF ASEAN MEMBER STATES TO THEIR RESPECTIVE ORGANISATIONS?

The EU's revenue, which is called "own resources", is mobilised from different sources that include a standard percentage of each member state's gross national income (GNI); a share (about 0.3%) of the value-added tax in each member state; import duties from bringing goods and sugar from outside the EU; and tax and deductions from EU staff remuneration. In 2015, the overall expenditure of the EU was €141.2 billion.

Four major member countries, Germany, France, the UK and Italy, are the biggest contributors to the EU's revenue.

As a regional entity, ASEAN has no independent source of revenues of its own. The annual operating budget of the ASEAN Secretariat comes from equal contributions of all member governments. Funding support for other ASEAN institutions,

| EU Support Programmes to ASEAN Member States from 2007-2013 | | |
|---|--|-------------|
| Country | Priority areas | Million € |
| Cambodia | National Strategic Development Plan, Basic Education | 143 |
| Indonesia | Education, Trade and Investment, Globalisation, Law Enforcement | 402 |
| Lao PDR | Government Reform, Sustainable Development, Good Governance and Human Rights, Trade | 69 |
| Malaysia | Dialogue Facility, Trade and Investment | 8 |
| Myanmar | Education, Health, Public Administration Reform, Peace, Trade | 125 |
| Thailand | Policy Dialogue Facility covering Trade, Investment, Environment and Climate Change, Governance etc. | 12 |
| Philippines | Poverty Reduction, Health, Trade and Investment, Mindanao Peace Process | 128 |
| Vietnam | Socio-Economic Development Plan, Health | 298 |
| Total | | 1185 |

Source: The EU Delegation, Jakarta

In ASEAN there is no "ASEAN citizenship". In terms of movement, an ASEAN-wide visa-free arrangement is not in place yet. Nationals of an ASEAN country cannot live, work or study in other ASEAN countries without permission from the host government. As regards migrant workers, discussions on an ASEAN legal instrument for the protection of rights of migrant workers over the past ten years have progressed very slowly.

There are efforts under the AEC to facilitate movement of skilled labour. ASEAN countries have agreed to Mutual Recognition Arrangement (MRAs) of eight professionals, namely engineering, architecture, dental, tourism, surveying, nurse, doctor and accounting. This enables the qualification of a service provider recognised by a regulatory authority in his/her home country to be mutually recognised by other ASEAN countries. However, these commitments are subject to domestic regulations, implying that there is no 'complete freedom' of movement of skilled labour. Consequently these MRAs have not led to any large-scale movement of the professionals across borders in the ASEAN Community.

such as the ASEAN Foundation, the ASEAN Coordinating Centre for Humanitarian Assistance on Disaster Management, and the ASEAN Centre for Biodiversity, is prescribed in their respective constituent agreements.

Apart from some funds allocated to certain sectoral areas, ASEAN has established the ASEAN Development Fund (ADF) with a one-time contribution of US\$1 million from each ASEAN member. The ADF generates about US\$200,000 for cooperation projects in ASEAN. ASEAN relies heavily on funding support from its Dialogue Partners for development cooperation projects.

ASEAN has also set up the ASEAN Infrastructure Fund to support the implementation of the Master Plan on ASEAN Connectivity with US\$485.3 million raised from subscriptions of ASEAN governments. Member governments can borrow from the AIF to fund implementation of infrastructure connectivity projects.

24 WHAT ARE THE OFFICIAL LANGUAGES OF THE EU AND ASEAN?

The EU has 24 official and working languages, namely Bulgarian, Croatian, Czech, Danish, Dutch, English, Estonian, Finnish, French, German, Greek, Hungarian, Italian, Irish, Latvian, Lithuanian, Maltese, Polish, Portuguese, Romanian, Slovak, Slovenian, Spanish, and Swedish.

All EU citizens have the right to access all EU documents, as well as to be able to submit queries and receive official responses in their own language. This policy requires extensive translation services, which are also needed for high-level EU meetings and sessions of the European Parliament, where participants use their own language.

ASEAN's working language is English. All ASEAN documents are in English, and ASEAN meetings at all levels are also conducted in English. At the ASEAN Summit or ministerial meetings, some Leaders or Ministers may speak in their own languages with interpretation to be provided by their own interpreters. ■

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ASEAN AND THE EU THROUGH THE YEARS

ASEAN

EU

ASEAN

1951

Signing of the **Treaty of Paris** which established the **European Coal and Steel Community** among Belgium, France, West Germany, Italy, Luxembourg, and the Netherlands

1952

Signing of the **Treaty of Rome** which established the **European Economic Community (EEC)** and the **European Atomic Energy Community (Euratom)**

Signing of the **European Defence Community Treaty** aiming to establish a pan-European military, which failed to enter into force in 1954

1957

Signing of the **Bangkok Declaration** which established ASEAN with five member states – Indonesia, Malaysia, the Philippines, Singapore and Thailand

1967

The EEC becoming the first external party to establish informal ties with ASEAN

1968

Establishment of the **Customs Union** with the removal of all customs duties among the six EEC members, together with the Common Commercial Policy and Common Agriculture Policy

1971

Signing of the **Zone of Peace, Freedom and Neutrality Declaration (ZOPFAN)**

1972

Statement of the **Paris Summit** setting for the first time the objective of achieving a European Union

1973

Signing of the **Treaty of Amity and Cooperation in Southeast Asia (TAC)**

First enlargement with accession by Denmark, Ireland and the United Kingdom

1976

First ASEAN Summit in Bali which adopted the **1976 Declaration of ASEAN Concord (Bali Concord I)**

2016

Brexit referendum with 51.9% of vote for 'leave' and 48.1% for 'remain'

Establishment of the EU Mission to ASEAN

2015

Adoption of the **ASEAN Community Vision 2025**, and launch of the **ASEAN Community** on 31 December 2015

2013

EU acceding to the TAC

Launch of negotiations on the **Regional Comprehensive Economic Partnership (RCEP)** between ASEAN members and six Dialogue Partners – Australia, China, India, Japan, Republic of Korea, and New Zealand

2012

The Nobel Peace Prize 2012 awarded to the EU for its contribution in upholding peace, democracy and human rights in Europe

2011

Establishment of the **European External Action Service** which serves as EU's diplomatic service

Signing of the **Bali Declaration on ASEAN Community in a Global Community of Nations (Bali Concord III)** which aims to establish an ASEAN common platform on global issues by 2022

2010

Inaugural ASEAN Defence Ministers Meeting Plus (ADMM-Plus) – a platform of defence dialogue and cooperation among ASEAN and its Dialogue Partners, except Canada and the EU

2009

Adoption of the **Roadmap for an ASEAN Community (2009-2015)**

2007

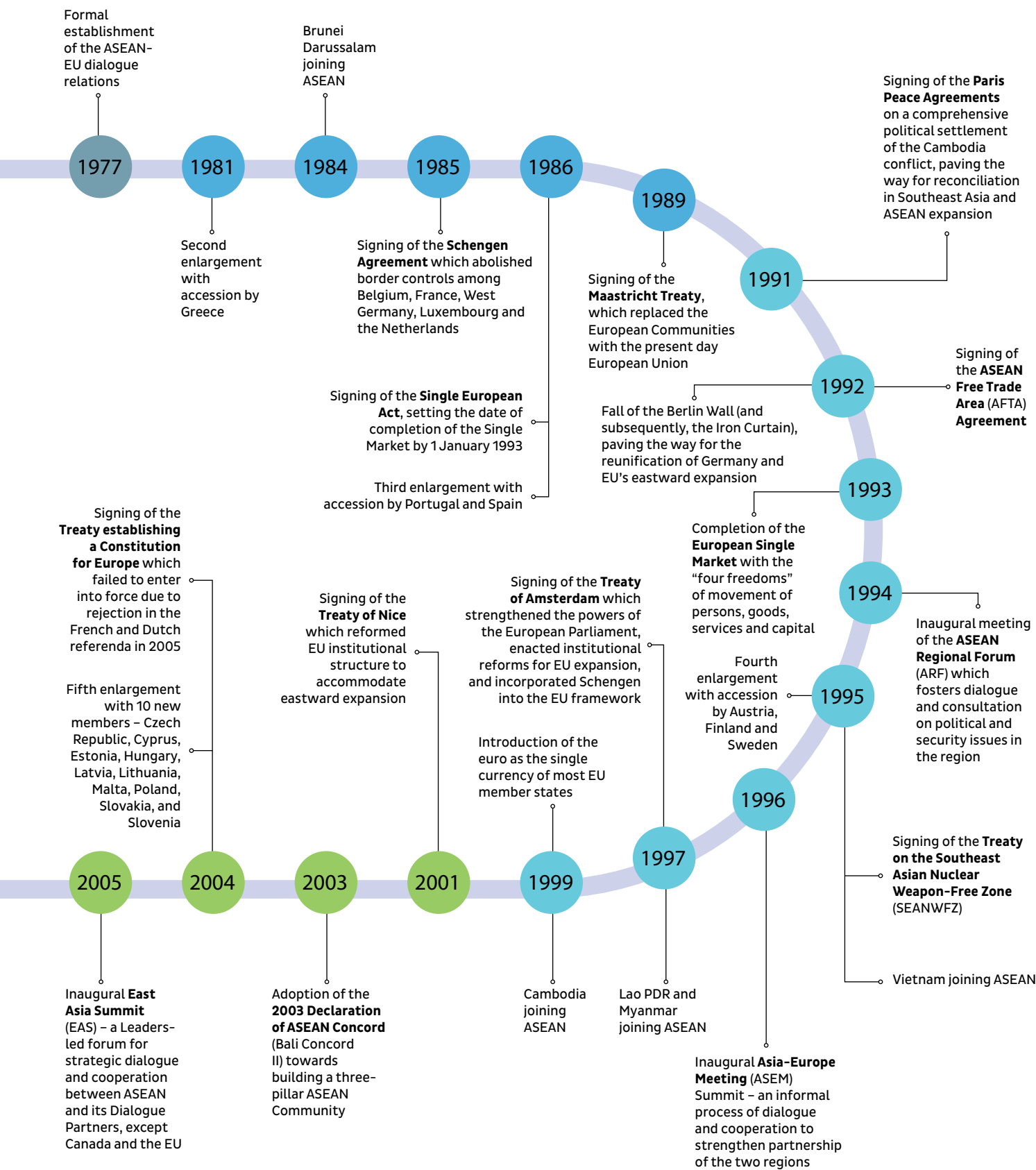
Signing of the **ASEAN Charter** which provides a legal personality and institutional framework for ASEAN

ASEAN-EU Commemorative Summit in Singapore

2006

Signing of the **Lisbon Treaty** which further reformed EU institutions and its decision-making procedures, and strengthened EU's ability to act on the global stage

Sixth enlargement with accession by Bulgaria and Romania



Implications of Brexit on the EU

THE EU IS NOW TURNING ITS ATTENTION TO MOVING ON WITHOUT BRITAIN.

BY JØRGEN ØRSTRØM MØLLER

The outcome of the British referendum represents a strange paradox. Almost 3/4 of the British MPs did not support the move to leave the EU. Not a single other EU member state spoke in favour – before or after – of Brexit. Even President Barack Obama publicly voiced his support for ‘remain’. Stronger links to the Commonwealth were brought into the debate by the leave camp without much attention to the fact that not a single member of the Commonwealth welcomed Britain taking this step.

The best short explanation for Britain’s volte-face on the EU may well be that the vote was an indictment of economic globalisation having gone too fast and too far, leaving the British people grappling with an uncertain future and exacerbating the yearning for change. For these and various other reasons, the EU became a convenient scapegoat.

In hindsight, Britain has never felt comfortable as a member of the EU and did not fully share the vision of the six founding member states. At crucial junctures during the integrative process, Britain sought and obtained exemptions such as the single currency and the social chapter when the Treaty on European Union was signed in 1992.

Not surprisingly a good deal of the reluctance and scepticism then focused on the wording in the preamble to the Treaty of Rome calling for ‘an ever closer union’ while conveniently omitting the following words ‘among the peoples of Europe’. It did not help that the Brexiteers framed the EU as a “super state,” and even purported a United States of Europe without much evidence supporting such a view. When interviewed to explain why they intended to vote ‘leave’, ordinary citizens often stated that they did not like to receive orders from the EU about their daily lives but were unable to mention concrete examples when asked to do so.

The clock will start to wind down when Britain activates Article 50 – the exit clause of the Lisbon Treaty. Subsequently, Britain and the EU will negotiate the terms for the withdrawal and their future relationship over the next two years. The full impact of the “divorce” can only be analysed once the outcomes of those negotiations are known, but some preliminary observations and conclusions can be drawn now.

EU countries will endeavour to keep close links with the UK, but they may also adopt a more defensive stance along the lines of ‘you wanted to leave, so you leave,’ mirroring the quip ‘Brexit is Brexit’ by British Prime Minister Theresa May. However, there are limits to how far both sides can and will go. A kind of semi-membership or clever manoeuvring

to maintain a more or less de facto membership can be ruled out.

The deal breaker will be whether Britain is ready to compromise on its hitherto strong stance – reiterated during the contest for the British premiership – that free movement of labour has to be curtailed. Since this is one of the four freedoms embedded in the Single Market, the EU, especially those members from Central and Eastern Europe, is unlikely to waver on this point. It is not unthinkable that an agreement remains elusive, which means that at the end of the two-year negotiation, Britain will face the bleak future of being cut off from all trade benefits it had heretofore enjoyed as part of its EU membership.

“A KIND OF SEMI-MEMBERSHIP OR CLEVER MANOEUVRING TO MAINTAIN A MORE OR LESS DE FACTO MEMBERSHIP CAN BE RULED OUT.”

The EU is now turning its attention to moving on without Britain. The likely outcome is a slimmer and stronger EU. From the perspective of the original six member states, integration is a vital vehicle for pursuing national political and economic interests. They are not disposed to allowing the EU project to disintegrate. Indeed, there are visible signs of support toward stronger integration on defence, the single currency (euro) and refugees/migrants.

However, such views are not uniformly shared. There are EU member states sharing, albeit not to the same extent, reservations towards a stronger and deeper integration, but their concerns do not carry the same weight as Britain did.

In the immediate aftermath of the Brexit vote, many observers expected similar movements to emerge in other EU countries. The opposite, in fact, happened. The Spanish elections, held a few days after the Brexit vote, turned in a disappointing result for the “Euro-sceptics.” Opinion polls in Denmark, France, and Germany show an unexpected and strong surge for EU membership and a remarkable decline in numbers of voters asking for a referendum about continued EU membership and a strong majority for ‘remain’ if such a referendum nevertheless took place. It appears that the feared Brexit contagion has passed.

Britain was often credited with giving the EU a more outward-looking policy. While this is true, London’s impact should not be overestimated. Globalisation has influenced EU countries hitherto classified as protectionist and enhanced its global commitment as seen for example in the negotiations about global warming. ■

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Brexit's Impact on British and EU Foreign Policy in Southeast Asia

BREXIT RAISES DOUBTS ABOUT THE WILLINGNESS AND CAPABILITY OF THE EU AND UK IN PURSUING THEIR SECURITY INTERESTS IN SOUTHEAST ASIA.

BY REUBEN WONG

What is Brexit's likely impact on EU foreign policy, and on Britain's security interests in Asia? Specifically, will it make any difference in Southeast Asia?

First, the EU's pursuit of burgeoning security interests in Asia is more likely to be left on the back-burner now. In 1997, Paul Stares and Nicolas Régaud argued that the European Union had distinct security interests in the Asia-Pacific, and that the EU needed the will to coordinate and deploy member states' military capabilities towards the defence of these trade, humanitarian and human security interests in the region (Stares and Régaud 1997). Stares and Régaud were perhaps too optimistic and ahead of their time.

In the subsequent two decades, the EU did develop a military capability kicked off by the Anglo-French summit in St Malo in December 1998. A European Security and Defence Policy (ESDP) was established, and ESDP operations involving European soldiers and hardware were deployed since 2003 to civilian, military and mixed missions around the world. Yet the impact of European military projection was limited mainly to Central and Eastern Europe, the Mediterranean and the Middle East, and southern Africa. Aside from the Aceh Monitoring Mission in Indonesia (Sep 2005-Dec 2006) and European arms sales in Asia, the EU's strategic footprint in the region has been quite indiscernible. The prevailing perception holds the EU as a non-player in Asia-Pacific security.

The EU's own metamorphosis from a 'civilian' power to something bordering on a potential military actor is welcomed in regions like Southeast Asia. The EU has responded to calls for greater security engagement in the region (via the ASEAN Regional Forum (ARF), Paris Peace Agreements 1991, Aceh 2006, and accession to the Treaty of Amity and Cooperation in Southeast Asia (TAC). The French defence minister Jean-Yves Le Drian announced at the 2016 Shangri-la Dialogue that France would propose European navies having a "regular and visible" presence patrolling the waters of Southeast Asia as the EU had an economic interest in maintaining the freedom of shipping and navigation in these waters.

But Brexit raises doubts about the EU's willingness and capability as a security actor. Minus the active participation of the UK, the EU is left with France as the only large and capable military (Bew 2016) able to project power into Southeast Asia. It looks unlikely that France, now back in high alert after the Nice attack on 14 July 2016, will be able to deploy resources and military strength in the South China Sea unilaterally. Britain, its natural partner in moving EU defence forward, could very likely be distracted by more post-Brexit internal politics if Scotland moves ahead with a second independence referendum.

Second, the British foreign policy and defence establishment will face pressures to demonstrate even more support for US security policy. Even as a member of the EU, the UK found it necessary to define its own "pivot to Asia", distinct from, and yet coordinated with the US and the EU (Stokes and Whitman 2013). Outside of the EU, the UK still remains one of the five permanent members of the UN Security Council, an important NATO member (but a non-EU member, along with Turkey and Norway), and a member of the G7.

Britain will need to decide if its engagement in Asia should also include Asian security and political questions. And if security interests are important, should the UK, as some security scholars in the UK have argued, coordinate its efforts even more closely with the United States? (Bew 2016).

The UK is the only European country to have a formal defence agreement in Southeast Asia (the Five Power Defence Arrangement, signed with Australia, New Zealand, Malaysia and Singapore in 1972) and its economic, political, and even security engagement with states in the region are longstanding.

But following through with enhanced British or larger European involvement in Asian security – even on non-traditional security issues like counter-terrorism and human assistance and disaster relief operations – will be challenging (Wong and Brown 2016). Facing multiple and simultaneous crises like domestic terrorism, refugee flows from failed states in Europe's neighbourhood (Libya, Iraq, Syria), the conflict in Ukraine, and now the negotiations for a new relationship between the EU and the UK, it is clear that "the EU's power of projection is diminishing" (Reiterer 2016:63). The EU's foreign policy efforts will be focused on fighting fires nearer home. ■

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Why the EU matters to ASEAN

THE EU REMAINS ONE OF THE MOST IMPORTANT PARTNERS FOR ASEAN,
ESPECIALLY IN TRADE AND INVESTMENT TERMS.

BY YEO LAY HWEЕ

In the midst of a series of crises that the European Union is facing, it is easy to forget that the EU remains one of the largest trading blocs. Even without the UK in its fold, the EU-27 still maintains substantive economic prowess, accounting for 24.7% of global GDP and 14.2% of world trade. Brexit is also likely to spur the EU towards reforms that would result in an EU with a stronger core.

The EU relations with ASEAN date back to 1972, and constitute one of the oldest group-to-group relations. Despite various trials and tribulations, the EU-ASEAN relationship is on a positive trajectory and there is much that the EU and ASEAN can do to strengthen their partnership and contribute to a more stable Asia-Pacific.

In its most recent Joint Communication from the European Commission and Council on “The EU and ASEAN: a partnership with a strategic purpose”, the EU acknowledges the importance of a strong, cohesive and self-confident ASEAN for stability in the Asia-Pacific region. As noted in the Communication, “the EU has a huge stake in the success of ASEAN” and “investing in the EU-ASEAN relationship will bring significant returns for EU interests, both politically and economically”. It is thus in ASEAN’s interest to leverage on this partnership to enlist the EU’s support in furthering the region’s economic integration and growth. Several analysts such as Peter Drysdale and Shiro Armstrong have pointed out that “it is not military power that gives ASEAN its key role in underpinning Asian security”. Instead it is the “ability to continue to promote economic growth through deeper regional integration into the global economy” that ASEAN can contribute to the security of the region.

“A SUCCESSFUL EU-ASEAN PARTNERSHIP THAT CAN DELIVER ON SOCIO-ECONOMIC BENEFITS AND BETTER OPPORTUNITIES FOR THE PEOPLES OF EUROPE AND SOUTHEAST ASIA WILL HOPEFULLY PROVIDE A BULWARK AGAINST THE DESIRE TO TURN INWARDS AND PULL UP THE DRAWBRIDGES.”

The EU is one of ASEAN’s top trading and investment partners. In 2015, EU imports from ASEAN amounted to €118.4 billion and EU exports to ASEAN were worth €83 billion. Trade in services between the EU and ASEAN is also on the increase reaching €67.4 billion in 2014. In the area of foreign direct investments (FDI), the EU is ASEAN’s largest investor with €184 billion in FDI stocks held in the region at the end of 2014. Additionally, since 2003, the EU has been supporting ASEAN’s capacity building efforts towards building an ASEAN Community. In its current budget cycle (2014-2020), the EU has allocated another €170 million in supporting the ASEAN Secretariat and other ASEAN integration efforts. Many of the projects supported by the development funds from the EU may not make headlines, but they addressed practical issues that ASEAN needs to tackle to deepen its integration, especially in the economic arena such as trade facilitation, standards conformance in food safety, and pharmaceutical products. Programmes are also designed to help ASEAN narrow the development gaps, promote connectivity, and address some of the common threats faced by the region in countering terrorism and transnational crimes and mitigating natural disasters.

The EU presence in the region is economically driven with no strong geopolitical undertones, unlike ASEAN’s other major dialogue partners such as China, Japan and the US. The EU sees increased trade and investments with ASEAN as an opportunity to revive its sluggish economy. Improving ASEAN’s regulatory framework, assisting in harmonization of standards and contributing towards ASEAN integration is mutually beneficial. By engaging more deeply with each other in the commercial and economic arena, both the EU and ASEAN can help ward off the rising tide against globalization and free trade, and keep protectionism at bay. A successful EU-ASEAN partnership that can deliver on socio-economic benefits and better opportunities for the peoples of Europe and Southeast Asia will hopefully provide a bulwark against the desire to turn inwards and pull up the drawbridges.

Brexit might have brought about fresh questions with regard to the EU’s integration model. While ASEAN has always been conscious that it cannot copy the EU model, it does not mean that lessons cannot be drawn by looking at the ambitious political experiment that the EU member states have undertaken to manage inter-state conflicts, bring about peace and reconciliation and create a Single Market which is still the envy of many regions. The EU Single Market remains attractive, and even Britain wants to be part of it although it does not wish to be part of a political union. ASEAN in moving towards deeper economic integration can continue to learn from the EU on how to manage the different conflicting interests and fashion the appropriate rules and institutions to serve its community-building efforts. ■

Dr. Yeo Lay Hwee is Director at the EU Centre, Singapore.

Why ASEAN matters to the EU

THE EU IS GEARING UP ITS EFFORTS TO ELEVATE ITS PARTNERSHIP WITH ASEAN TO A STRATEGIC LEVEL.

BY FRANCISCO FONTAN PARDO

ASEAN and the European Union (EU), two regional organisations with their own respective dynamics and histories, will celebrate the 40th anniversary of their formal relations next year, precisely when ASEAN itself will turn 50 years old.

Both regions can look back at almost 40 years of friendship characterised by their shared goal of peace and prosperity for its peoples, and look forward to further deepening relations based on trust, mutual respect, common interests and values.

Such momentous anniversaries clearly provide the appropriate context for pause and reflection on what we mean to each other, and where do we want to go next. The EU last year endorsed a new and ambitious policy drive which will elevate our already rich relations to the next level – one that is of strategic nature.

In this respect, the EU issued a political statement on EU-ASEAN relations, aiming at strengthening EU-ASEAN cooperation and the joint connectivity goals, bridging the development gaps within ASEAN, advancing equitable and sustainable growth, and promoting human rights. For this purpose, the EU doubled its development cooperation funds channelled through the ASEAN Secretariat (€170 million for 2014-2020) to support ASEAN's post-2015 integration agenda. This support is on top of the €2 billion the EU is devoting over the same period of time to poverty reduction and connectivity within and between ASEAN countries.

We have also increased the frequency of exchanges of leaders from both regions to achieve a higher level of joint political dialogue on global challenges. The EU recently established a new dedicated Mission to ASEAN which will help intensify the Dialogue Partnership towards a more strategic nature.

ASEAN and the EU, with their own dynamics, objectives and contexts, are probably the two most ambitious regional organisations in the world. This makes us natural partners with a lot to share and learn from each other's experiences and approaches. Indeed, the EU wants to deepen our relations with ASEAN because it believes that ASEAN will play an important role in bringing to fruition a larger integrated market, enhancing its connectivity within the ASEAN Economic Community (AEC) and with the rest of the world, and contributing to prosperity and stability in Asia – the fastest growing region in the world.

The EU currently devotes more attention and focus on strategic matters in the economic, political and security domains. In this vein, the EU has concluded or begun free trade and investment agreements negotiations with almost all ASEAN member states in the last few years, covering the practical totality of the entire ASEAN economy, keeping alive the prospects for an

ambitious region-to-region trade and investment framework. It is not by chance that the EU is ASEAN's second largest trading partner with €180 billion of trade in goods and €70 billion of trade in services (2014), registering an average annual growth rate of 7% over the last 20 years. The EU has also become the largest provider of foreign direct investment to ASEAN, with a capital influx of up to €24 billion annually, thus making up for 22% of the total investment made in the region.

As such, the EU does not see ASEAN as just an up-and-coming region with immense potential. ASEAN is already an important partner for the EU today, with growing importance in terms of population which is the third largest in the world, a remarkable annual average GDP growth of around 5%, and the seventh largest economy in the world. From a people-to-people connectivity perspective, ASEAN and the EU are growing closer with approximately 10 million people travelling between both regions every year. This figure also includes the steadily increasing number of intellectual exchanges, in part due to closer academic cooperation between universities and research centres. The EU is also convinced that the recently launched region-to-region negotiations for a Comprehensive Aviation Transport Agreement will make an immeasurable positive impact on the quality and quantity of trade, investment and social exchanges between Europe and Southeast Asia.

The EU and ASEAN's shared interests of prosperity can only realise its full potential in a peaceful and stable environment. This constitutes indeed a crucial dimension of ASEAN's importance for the EU in Asia-Pacific which led the EU to join the Treaty of Amity and Cooperation in Southeast Asia (TAC) in 2012, thus expanding the scope of bilateral cooperation on political and security matters. From preventive diplomacy to mediation and crisis management, from maritime security to transnational crime and counter-terrorism, these collaborations in security matters grow stronger year by year. ASEAN as an organisation is at the centre of most major security dialogue platforms like the East Asia Summit and the ASEAN Regional Forum, placing itself at the core of the developing security architecture in the region. The EU therefore has strategic interests in Southeast Asia, and wants to be present at all strategic fora, especially in the increasingly important EAS and the ADMM-Plus process.

That is why the EU is now working for a modern partnership with a strategic purpose, and unleashing all the potential of our already rich people-to-people, political, security and economic relations. The EU looks forward to marking the important milestone of four decades of productive and positive collaboration in 2017, as well as working with ASEAN to take the partnership to greater heights. ■

Mr. Francisco Fontan Pardo is the Ambassador of the European Union to ASEAN.

Brexit's Impact on EU Businesses in ASEAN

POST-BREXIT, IS IT STILL BUSINESS AS USUAL FOR THE EU IN ASEAN?

BY CHRISTOPHER J. HUMPHREY

The now infamous outcome of the UK's referendum on membership of the EU sent shockwaves around the world during the week after the result was confirmed. The British pound, inevitably, slid and is yet to regain its pre-Brexit value – and may not do so for some time. Stock markets were hit but, given the nature of these beasts, they have largely recovered. The longer-term impact on the UK and its economy is still a great unknown. In the short-to-medium-term, it looks like at the very least, there will be a marked slowing in growth and in investments, as businesses play a waiting game to see what the next political moves will be. Certainty will not return until there is a clearer idea of what a life outside the EU will look like – and that will be months, if not years, away. This is a shame, as the UK was one of the better performing economies in Europe.

But what does the Brexit vote mean for European businesses operating in Southeast Asia? In truth, there really should not be much change, at least in the short-or-medium-term, for European businesses, including those from the UK, operating within and trading with ASEAN. Trade and investment relations between Europe and ASEAN are, and should remain, strong. Europe remains, by some distance, the largest source of foreign direct investment to the Southeast Asian region, and is also, by many measures, the second largest trading partner of ASEAN. None of that should change. The underlying fundamentals of this trading relationship remain unaltered.

European companies have a long and proud history in Southeast Asia. Many have been operating, investing and trading in the region for more than a century. European businesses have been taking a long-term view, but there is no doubt that their presence and increased investment in the region is driven by a sense of opportunity derived from clear positive socio-economic indicators across the region, as well as the apparent political desire to see ASEAN increasingly work as an integrated economic bloc. Growing, relatively young, populations across most the region; high rates of urbanisation; increasing incomes; infrastructure development needs; improving education rates; and relative political stability all mean that ASEAN is a global bright spot.

Politically, the European Commission has, in recent years, been stepping up its engagement with the region – through increases in aid and development programmes and through trade negotiations, such as those with Singapore, Vietnam and the recently announced ones with the Philippines and Indonesia. This is a clear policy move from Brussels, one

“HOWEVER, IT NEEDS TO BE REMEMBERED THAT EVEN WITHOUT THE UK AS ITS MEMBER, THE EU WILL REMAIN ONE OF THE LARGEST ECONOMIES IN THE WORLD, AND A LEADING TRADING AND INVESTMENT PARTNER OF ASEAN.”

that all EU member states including the UK support, and there is no reason why this policy would change. European businesses generally welcome this increased engagement and, indeed, most would like to see the Commission even more engaged with ASEAN. Increased engagement can only be good for business and trade relations. More trade deals will mean opportunity, and should lead to more investment.

There is perhaps one concern over the possible impact of the Brexit decision on the trade negotiations that the Commission is currently undertaking. The UK is the second largest economy in the EU, and is seen as one of the more pro-trade and open nations. It is possible that some trading partners will see the loss of this important element of the EU market as an opportunity to drive a harder bargain with the Commission. However, it needs to be remembered that even without the UK as its member, the EU will remain one of the largest economies in the world, and a leading trading and investment partner of ASEAN.

What the future means for companies trading from the UK to ASEAN (and vice versa) will depend on the UK's ability to put in place its own trade deals with the region. Until this situation becomes clearer there may well be some changes in trading patterns and investment flows, but this is really speculation. I am confident that the global European companies that comprise the membership of the EU-ASEAN Business Council, and our sister European Chamber of Commerce organisations in the region, are well prepared to navigate the uncertainty that will be created by the period of renegotiation between the EU and the UK. I would expect them to continue to invest and trade with those regions of the world that offer the opportunity of growth – and that clearly points to Southeast Asia. In short, it is business as usual for the EU in ASEAN. ■

Mr. Christopher J. Humphrey is the Executive Director at the EU-ASEAN Business Council, Singapore.

ASEAN's Reflections from Brexit

AS CONFIDENCE APPEARS TO BE WANING IN THE EU INTEGRATION, THIS SHOULD ALSO BE A MOMENT FOR REFLECTION AND INTROSPECTION WITHIN ASEAN ABOUT ITS INTEGRATION PATH.

BY HOANG THI HA; MOE THUZAR; SANCHITA BASU DAS; TERMSAK CHALERMPALANUPAP

Brexit was a momentous event not only for the United Kingdom but also for the world. Apart from economic consequences, its ramifications on regionalism are profound and far-reaching, not least for ASEAN which is also seeking to build a politically cohesive and economically integrated community with a shared sense of belonging among its peoples.

NATIONAL SOVEREIGNTY VERSUS REGIONAL INTEGRATION

The tension between national sovereignty and regional integration looms over all integration endeavours everywhere. The call for the Brexit referendum – and its outcome – were largely the result of hardening attitudes of British national politicians and society against the EU supra-national governance that they felt impinged on their national needs and interests. Thus, even as Remain campaigners trotted out numbers and facts on the importance of being part of a regional whole, emotions ran high on “taking back the country”. The increasing level of scepticism towards the EU is very much related to the notion of losing national control and identity.

Although ASEAN does not aspire to create a supra-national authority, it is increasingly confronted with the tension between national interests and regional imperatives. Such tensions have not trickled deep down to the public yet, and the non-interference and consensus principles have done well thus far to assuage any concern over sovereignty infringement. However, there is an emerging reality that some ASEAN member governments find it increasingly difficult to reconcile their national and collective ASEAN interests, especially on issues critical to ASEAN unity and credibility. A case in point is the recent debate and struggle to reach a common position on the South China Sea in the wake of the arbitral tribunal’s award.

“ALTHOUGH ASEAN DOES NOT ASPIRE TO CREATE A SUPRA-NATIONAL AUTHORITY, IT IS INCREASINGLY CONFRONTED WITH THE TENSION BETWEEN NATIONAL INTERESTS AND REGIONAL IMPERATIVES.”

Realistically, national interests will ultimately prevail but membership in a regional grouping almost always entails a fair degree of “give” and “take,” while instilling the discipline to deter free-riding. Could the pressure and demands of collective action get worse enough to lead to a forced or voluntary break-away, especially in the face of external pressures and heightened nationalism at home? ASEAN should heed lessons from Brexit before this vulnerability becomes too entrenched to fix.

PEOPLE-CENTRED, PEOPLE-ORIENTED ASEAN: FROM MANTRA TO MANDATE?

The EU brings about substantial freedoms, rights and benefits to EU citizens, and yet it still failed in the eyes of many British citizens. This should be a wake-up call for ASEAN which is widely perceived as elitist and state-centric, being intergovernmental as it is. While negotiations by ASEAN officials may result in policy-level changes, these are not immediately visible on the ground, giving rise to views of a seeming disconnect between ASEAN’s efforts, relevance and benefits to the lives of its people. ASEAN is aware of this gap and has tried to reach out with “people-centred, people-oriented” as a central theme of its Vision 2025. Such a high-profile pronouncement needs to be translated into high-impact initiatives that respond to the needs of the people.

According to a survey in 2014-15 among undergraduates of 23 universities in 10 ASEAN countries, tourism was ranked the most important aspect of regional integration, followed by development assistance and economic cooperation. Such public opinions should feed into ASEAN policy-making to identify priority areas where regional actions resonate strongly at the national level. ASEAN connectivity, ASEAN Single Window, ASEAN Open Skies or a complete ASEAN-wide visa-exemption arrangement for all tourists from ASEAN countries have immense potential of touching lives on the ground. However, their implementation would require strong political will, substantial resources, and strict compliance to make sure that regional commitments are delivered nationally.

COMMUNICATING ASEAN

Communicating regional integration narratives to the diverse populaces in member states is an on-going challenge for both the EU and ASEAN. The sense of belonging as a Southeast Asian in the ASEAN Community is still nascent and the understanding of the public and businesses about ASEAN remains limited. Raising ASEAN awareness therefore must be enhanced to inform the public of what ASEAN is, what it is



ASEAN and the EU share many similar integration objectives and both are recognised as among most successful regional organisations for their respective achievements. Though much of ASEAN's successes have been inspired by the EU's experience, ASEAN charted its own course toward the building of a Community. While both are intergovernmental organisations, the EU differentiates itself from ASEAN with its supranational structures. ASEAN, on the other hand, makes decision on the basis of consensus, which serves to prevent polarisation and extreme positions on sensitive and strategic issues. ASEAN has also attached high priority to narrowing the development gap, both within and among its member states, so that pressures and disenchantment that give rise to Brexit would not surface in ASEAN. The principle of equal ownership and responsibility within ASEAN ensures that political power is shared and exercised on an equitable basis, eliminating any possible feelings of marginalisation. Nevertheless, Brexit is closely watched within ASEAN to serve as a reminder that the process of integration and community-building must be pursued at a pace comfortable to all, and more importantly that the fruit of this endeavor is owned and shared by the people.

- H.E. Le Luong Minh, Secretary-General of ASEAN



not, and what it is doing to garner broad-based support and dispel unnecessary fears or unrealistic expectations.

Since the benefits of regional cooperation are not always self-evident, ASEAN messages need to 'connect the dots' between regional policies and effects on the ground, especially in economic terms. Economic integration is usually considered an opaque subject, and communicating its benefits is not as straightforward as it may seem, as evident during the Brexit debates. Despite voluminous facts and figures given by experts and officials in support of 'Remain', the voters failed to grasp them in immediate terms such as job creation or higher wages. The holistic benefits from the EU membership to the UK economy therefore slipped away in the maddening noise of nationalism and populism.

Learning from this lesson, ASEAN must communicate to its people the direct and indirect benefits of the regional economic integration with clarity and in simple language that could be grasped by the common people. Firstly, it is important to explain the need to increase trade and investment flows. Secondly, people should appreciate that facilitation measures would offer them with more goods and services at a more reasonable cost and in a timely manner. Thirdly, some form of more effective facilitated movement of cross-border skilled labour and professionals, with certain national safeguards, is essential to fill skill-gaps and encourage new economic activities. Finally, people have to accept that the winds of socio-economic change are inevitable, and these will necessitate transformations in the domestic economy to remain competitive in a globalised market.

ASEAN should also expand possibilities and mechanisms for engagement and consultation with all stakeholders in the ASEAN Community. Their participation would lead to richer discussions and innovative initiatives, whilst promoting ASEAN awareness. Youth, civil society, together with the network of various ASEAN centres of excellence across the region, should be rallied in this endeavour to help inform ASEAN regional agenda among wider local audiences.

Communicating ASEAN should target not only the general public and the private sector but also politicians and government officials in member states. Being at the front-line of national politics and policy-making, they play an important role in incorporating ASEAN's objectives into national agenda and sustaining national interest in regional integration. This would also help ease pressure from nationalistic backlashes that are being felt acutely in some countries, particularly in Indonesia.

MIGRATION: THE NEXT BIG, BAD THING?

Among other things, Brexit was seen as a vote against the free cross-border movement of people that essentially defines the EU. EU citizens can work anywhere within the EU and effectively compete with local citizens for employment

“WHILE NEGOTIATIONS BY ASEAN OFFICIALS MAY RESULT IN POLICY LEVEL CHANGES, THESE ARE NOT IMMEDIATELY VISIBLE ON THE GROUND, GIVING RISE TO VIEWS OF A SEEMING DISCONNECT BETWEEN ASEAN’S EFFORTS, RELEVANCE AND BENEFITS TO THE LIVES OF ITS PEOPLE.”

opportunities while enjoying same social security benefits as the locals. This fluid state of mobility can potentially backfire for more developed countries, as seen in the migration of Eastern European citizens to the UK. These immigrants are willing to work in low skilled jobs at lower wages compared with local workers, and hence present an attractive option for businesses. But this can also lead to a depression in the wage market, lower the incentive for employers to innovate and increase productivity, and put pressure on living conditions and public amenities of the host country.

Does the migration issue ring any alarm bells in ASEAN? Not at the moment as comparing the EU and ASEAN on this issue is like comparing apples with oranges. Unlike the EU, ASEAN nationals do not have complete freedom of movement or residency to live and work in other member countries. ASEAN currently adopts Mutual Recognition Arrangements (MRA) for eight professions – engineering, nursing, architecture, medicine, dentistry, tourism, surveying and accounting – which account for less than 1.5% of ASEAN’s labour force. Additionally, there are requirements regarding minimum years of experience, health clearance and domestic immigration rules to contend with. Therefore, the real impact of labour mobility for ASEAN is quite limited. Since ASEAN countries are significantly more diverse both in terms of economic and social development than the EU members, and national interests often take precedence over regional ones, it is unlikely that ASEAN will replicate an EU-style labour mobility in the near future.

THE TRAP OF INSTITUTIONALISATION

ASEAN community building over many decades has seen an expansion of regional institutions that range from working-groups to ministerial level meetings across many sectors. However, ASEAN still lags far behind the EU in terms of institutionalisation. There is no such domineering central body in ASEAN as the European Commission is to the EU. The general public in ASEAN countries have little knowledge of or no strong views about the Jakarta-based ASEAN bureaucracy, be it the ASEAN Secretariat or the Committee of Permanent Representatives (CPR). This is a good thing as compared to the EU where there is a strong and vocal public resentment towards the “Eurocrats” in Brussels.

However, as ASEAN intensifies its community building and expands external relations, the number of its meetings has grown substantially to around 1,200 annually. This proliferation of meetings does create financial strains on some less developed member states, leaving ASEAN overstretched institutionally, and creating the negative perception of ASEAN being primarily a meeting convener. Cutting the number of ASEAN meetings may not be an optimal solution at this stage because of the widening scope of ASEAN cooperation and the deepening of ASEAN activities, but ASEAN should find ways to make its meetings more substantive and less ritualistic.

OTHER TAKEAWAYS

One key observation from Brexit is the absence of an exit clause in the ASEAN Charter. During its formulation, proposals for expulsion and sanction provisions were met with a counter-proposal for a withdrawal clause. No consensus could be reached, and the question of withdrawal hangs in the balance. As ASEAN is considering a review of the ASEAN Charter, this is a good opportunity to reflect on these matters to instil a sense of discipline and build in a check and balance mechanism between the rights of member states and the interests of the organisation as a whole.

Another important lesson is that domestic politics should stop at the water’s edge. While regional governments must find ways to address domestic concerns over integration issues, they should at the same time resist the impulses of nationalism and populism in seeking short-term political gains. There is so far no discernible connection between ASEAN popularity, or the lack thereof, and public opinions of national governments in any ASEAN country. But we cannot assume that ASEAN is indispensable to every member government all the way all the time. The process leading to the Brexit vote as well as the disruptions in the UK politics in its wake offered a painful lesson about how domestic politics, being blown out of proportions, could reverse such a long-standing integration process despite prior warnings of its grave ramifications. It also shed light on how an act of democracy, without the real safeguard of education, could backfire. It is a grim reminder of what Franklin Roosevelt put forth many decades ago, that “democracy cannot succeed unless those who express their choice are prepared to choose wisely.”

Lastly, in light of Brexit, one could see the merit of ASEAN’s gradualism approach to regional integration in Southeast Asia. However, in the same way that the EU integration has been cast in a negative light as moving ‘too fast and too far’, ASEAN’s integration efforts can be criticised by those frustrated with its incremental nature as ‘too little, too slow’. This is therefore not the time for complacency, but for soul-searching on how to make ASEAN work better and remain relevant with the changing times. ■

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