Diffusing Regional Integration: The EU and Southeast Asia

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Given its distinctive structure and norms, is ASEAN’s recent institutionalisation an instance of diffusion from the EU to ASEAN? Or do we observe adaptation to changes in the external and domestic environments of ASEAN states that are unrelated to, or independent of, the EU? Or is there some combination of both at work here – diffusion and adaptation to changes that do not relate to the EU? This article argues that ASEAN members have started to adopt EU-style institutions, in particular, the EU’s Committee of Permanent Representatives and economic integration processes. This adoption process can be conceived as both lesson-drawing and normative emulation from the EU. This has not led to a comprehensive and systematic copying of EU institutions by ASEAN. Rather, member states have acted selectively in line with their ‘cognitive priors’ about state sovereignty. We observe institutional change only, but not a change in behavioural practices.

In November 2007 the 10 member states of the Association of Southeast Asian Nations (ASEAN) signed the ASEAN Charter, an innovative agreement committing all member states to closer cooperation. The Charter confers legal personality on ASEAN and establishes its legal and institutional framework. With the Charter, ASEAN becomes a Community consisting of three distinct communities (ASEAN Charter: Article 9). The ASEAN Economic Community seeks to develop economic cooperation similar to the European Economic Community of the 1960s. The Political-Security Community promises the citizens of ASEAN member states good governance and better protection of their human rights. The ASEAN Socio-Cultural Community seeks to promote a caring community and regional identity through a commitment to alleviate poverty on the one hand, and to a common motto, anthem and flag on the other. ASEAN has centralised its institutional structure by establishing new institutions and redefining old ones (ASEAN 2008). There were some in the media who regarded the Charter as providing ASEAN with a ‘European Union style’ set-up.
contending that Southeast Asian countries had decided to construct an economic and political union ‘modeled on that of the European Union’ (Philipps 2009; see also Aw 2009).

The decision by Southeast Asian countries to sign a Charter that appears to associate ASEAN with the European integration experience is significant, given that ASEAN had long been perceived by its member states – and by many scholars – as an organisation that had been set up in a manner that was essentially different from the European Union or its predecessors, the European Economic Community (EEC) and the European Community (EC). Indeed, over the last decade ASEAN had arguably become a model in its own right, and within its own region, rather than being a reflection of any European paradigm (Acharya 2009; Johnston 1999; Katzenstein 2005). Given the differences between ASEAN and EU states with regard to economy, regime type, religion and history (Capanelli et al. 2010; Murray 2008), as well as the lack of economic complementarity, there was broad consensus that it was unlikely that ‘anything comparable’ to the EU would ‘develop in the Asia Pacific’ (Narine 2009: 3; and see Mattli 1999). ASEAN’s constitutive norms emphasise respect for the sovereignty, non-interference and territorial integrity of member states. Member states resist any allocation of substantial competences to the ASEAN Secretariat. ‘[A]ny hint of supranational authority is anathema’ (Termsak 2009: 114; see also Henry 2007; Kahler 2000; Solingen 2005). ASEAN also presented itself as a model in terms of its institutional design: more flexible, network-like institutionalisation instead of formal institutionalisation and bureaucratisation. Thus, the ‘existing set of ideas, belief systems, and norms, which determine and condition an individual or social group’s receptivity to new norms’ or what Acharya (2009: 21) calls ‘cognitive priors’ seem to make institutional adaptations unlikely. So, ASEAN presents an unlikely case for the diffusion of EU-style institutions – and hence the adoption of some of the language and even the mechanisms of some institutions of the EU poses a puzzle.

This raises the question: given its distinctive history, structure and norms, is this recent institutionalisation in the ASEAN Charter an instance of diffusion from the EU to ASEAN? Or do we observe adaptation to changes in the external and domestic environments of these states that are unrelated to, or independent of, the EU? Or is there some combination of both at work here – diffusion and adaptation to changes that do not relate to the EU? Functionalist approaches to regional integration and cooperation expect an increase in institutionalisation in line with an endogenous demand for further integration, such as an increase of transactions (e.g. intra-regional trade) or as a common response to collective problems. In such situations, we could expect states to devise new functional practices or institutions to solve problems. This expectation thus provides the null hypothesis for our case: the institutions that ASEAN members have set up
follow a functional demand for such institutions and they occur independently of regional integration efforts in the EU.

We argue that ASEAN members have started to look at the EU as a putative paradigm for regional integration. As a result, they have adopted EU-style institutions. In particular, ASEAN has drawn on the EU’s Committee of Permanent Representatives (COREPER) to design its own Committee of Permanent Representatives, and it draws on the economic integration process with its objective to create a ‘single market’ by 2015. As we note these adoptions, examination of the EU has not led to a comprehensive and systematic copying of EU institutions by ASEAN. Rather, selectivity is the rule. For example, ASEAN retains its intergovernmental character. The Charter re-emphasises the principles of the ASEAN Way (ASEAN 2008: Art. 2). ASEAN maintains its decision rule of consensus. So the changes that we observe are primarily on a formal institutional level, and they do not involve sovereignty transfer (Ravenhill 2008). But this raises even more forcefully the question: why has ASEAN begun to superficially organise itself along the lines of the EU pattern? What mechanisms best explain the partial adoption of EU-style institutions, and what explains the partial refusal to adopt EU-style institutions?

We draw on the theoretical framework outlined by Börzel and Risse (2012), the categorisation of Schimmelfennig and Sedelmeier (2005), and Acharya’s (2004, 2009) work on ‘cognitive priors’. We first investigate whether, and to what extent, Southeast Asian governments have adopted institutional structures in ASEAN that are similar to the EU (our dependent variable). We then argue that the adoptions since 2000 are driven by a combination of lesson-drawing and normative emulation.

We do not seek to argue that all of the institutions that ASEAN has adopted, and that could be identified with European institutions, constitute instances of diffusion. For example, despite the EU’s strong emphasis on human rights, there is little evidence that the ASEAN human rights mechanism (ASEAN Inter-Governmental Commission on Human Rights) is an institutional adoption from Europe. Here we observe that there is a functional demand, driven by ASEAN’s most important state, Indonesia, to develop ASEAN into a human rights promoting organisation. This effect has been succinctly described as a ‘lock-in effect’ (Moravcsik 2000), meaning that states wish to embed their new democratic regime in a regional regime as a means to secure it in the future.

ASEAN in the Twenty-first Century: Institutional Change

ASEAN has undergone considerable transformation over the past decade. It has revamped its institutional structure and transformed its functioning in ways that invite comparisons with the European Union, even if ASEAN is – and will most likely remain – an intergovernmental organisation (Murray 2010a). The first signs of institutional adaptation can be found in the ASEAN
Vision 2020 of 1997, the 2003 Bali Summit and the 2004 Vientiane Action Programme. These documents laid out plans, not unlike the EU’s Single European Act, to develop the ASEAN region from a highly competitive region and production base, to create a single market through the ASEAN Economic Community (AEC) by 2015, and an ASEAN Community (AC) in the ASEAN Charter (ASEAN 2007). The AEC envisages financial services liberalisation, capital markets cooperation, capital accounts liberalisation and currency cooperation. ASEAN adopts some methods and terms that resonate with EU integration, such as ‘free flow of goods and services’ or determination to ensure overall competitiveness and the harmonisation of laws and standards (ASEAN 2007: A1). ASEAN also looked into the feasibility of a common currency (Ong 2004), although not currently a policy focus.

The ASEAN Charter came into effect in December 2008. The 30-page document constituted a landmark event in ASEAN’s 40-year history – and has been dubbed ASEAN’s ‘constitution’ (Termsak 2009: 101). ASEAN organises its cooperation along three key areas, economic, security and socio-cultural, and collectively refers to them as ‘three pillars’. There are similarities with an EU-style regional organisation, at least in terms of some features of its formal institutional set-up. Although it balked at the idea of a court, members created what seem at first glance to resemble some EU-style institutions that had not been part of the decision-making procedure of ASEAN. Importantly, a new body, the Committee of Permanent Representatives (CPR), was established to strengthen ASEAN’s efficiency and to oversee the work of both the ASEAN Secretariat and the ASEAN Ministerial Councils that lead each of the three ASEAN Communities: Economic, Security and Social and Cultural. During the drafting process, Philippine President Fidel Ramos proposed inserting the formation of an ‘ASEAN Union’ as an explicit objective (Termsak 2009: 104). The Charter also bears some resemblance to the EU’s Lisbon Treaty, according ASEAN and the EU legal personality. At present the Association’s proto-parliament, the ASEAN Assembly, remains outside the formal decision-making structure. The ASEAN Eminent Persons Group (EPG), which visited the European Commission in Brussels while drawing up its report, had called for the Charter to include in ASEAN’s objectives the strengthening of democratic values, ensuring good governance, upholding the rule of law and respect for human rights. The Charter does include these principles and establishes an ASEAN human rights body, albeit in a less institutionalised format than the EPG had anticipated and many NGOs had hoped.

Explaining ASEAN’s Selective Adoption of European Institutions: Mechanisms

Are ASEAN’s institutional innovations the outcome of a functional demand for these institutions (our null hypothesis)? Or are they unrelated to functional elements in the region and (at least partially) determined by
diffusion (for this distinction, see also Jahn 2006)? If diffusion plays a role, what is the causal mechanism driving the adoption?

Börzel and Risse’s (2012) examination of diffusion mechanisms (see also Meseguer 2005; Simmons and Elkins 2004) offers seven causal mechanisms that explain the adoption of EU-style institutions, divided into direct and indirect causal mechanisms (for an alternative mapping of diffusion mechanisms, see Jetschke and Lenz 2011). This article does not examine most of the direct mechanisms here, for two reasons.

Firstly, ASEAN members do not wish to join the EU and so the direct application of incentives relating to accession criteria or coercion does not apply. We are, of course, aware that the EU controls access to its market, and utilises access as an incentive for policy or regulatory adjustments by other countries, as in competition policy or intellectual property, often in mutual recognition agreements. Unlike with other regional groupings, the EU has not to date concluded any Economic Partnership Agreements or Free Trade Agreement with ASEAN as a regional grouping. The EU therefore cannot draw on these formal channels of agreement and regulation in order to ensure the adoption of EU institutions or norms intra-regionally.

Secondly, the Southeast Asian region is an attractive market for the EU. Therefore, there is a relatively symmetrical relationship between the EU and ASEAN, excluding the incentive and coercion mechanism. As Börzel and Risse (2012) noted, the more our analysis moves away from Europe, the weaker is the EU’s ability to force non-members into compliance with its standards and institutional prescriptions, and the more it relies on other mechanisms, such as ‘soft’ incentives as well as persuasion, if it wishes to influence regional institutional change.

Certainly the EU has indicated its willingness to cooperate with regional organisations like ASEAN and to promote regional integration efforts. In official documents and in interviews for this research, the EU Commission has indicated its willingness to replicate its own integration experience elsewhere. Within the framework of the ASEAN–EU Programme of Regional Integration Support (APRIS) and a Plan of Action signed in November 2007, the EU has offered financial support to ASEAN, aiming particularly at strengthening the institutional capacity of the ASEAN Secretariat and generally fostering regional cooperation. During the two project phases of APRIS (2003–06; 2006–November 2009) the EU supported ASEAN in its development of programme cooperation and provided technical assistance concerning standard setting and procedures. Much of the input into ASEAN’s Vientiane Action Programme of 2004 for an ASEAN Economic Community appears to have come through APRIS (Jetschke 2010).

Commission officials interviewed have pointed to the fact that they have, over many years, offered to provide advice regarding the ASEAN Charter and ASEAN regionalism more generally. Comments by officials indicate that ‘we have this relatively recognisable entity which we call Europe, which
goes back centuries and where we do have all these commonalities. Asia
doesn’t have the commonalities that we do here’ and that ‘there is ASEAN
interest in the European experience. It is part of the dialogue’. Another
official noted:

We have always tried to see if we could somehow influence their
process of economic integration on the basis of our own experi-
ence . . . I also perceive very much from the other side a lot of interest
about how we have been building up our single market, what kind of
institutions we have had to develop.5

The commitment from some Commission officials to norm diffusion is
evident in comments such as ‘we are very proud of what we have. If there is
anything in our experience that inspires you we are happy to help and show
you how we started’;6 ‘we have a predilection for encouraging regionalism.
We are happy to see ASEAN’s efforts and we wish them well’7 and ‘we think
that the better ASEAN integrates, or East Asia integrates, the better it is for
the rest of the world’.8 The EU–ASEAN dialogue is certainly norms-infused
in inter-regional relations and in the context of the Asia Europe Meeting
(ASEM), the most recent of which, ASEM8, noted that the ASEM leaders:

welcomed the entry into force of the ASEAN Charter in December
2008 and the recent steps taken to accelerate ASEAN integration as
milestones in the establishment of a resilient, dynamic and sustained
ASEAN Community by 2015 and of deepened relations with its
partners. (Asia Europe Meeting (ASEM) 2010: 15)

We exclude persuasion and socialisation as direct mechanisms as largely
irrelevant for ASEAN. We do not argue that they are completely absent in
the relationship between ASEAN and the EU. But we claim that these
mechanisms are not the key drivers of the observed changes. Persuasion,
defined here as the internalisation of norms, values and causal under-
standings because of a belief in their validity, is likely where the novice
accepts the authority of the socialising agent (the EU), and where there is a
social environment conducive to persuasion. This could be network-like
institutions (like ASEM) or expert groups (Risse 2000). The novice (ASEAN)
actively engages in comparisons of their own message with the contradicting
message of the persuader. While these expert communities are certainly there,
we would argue that ASEAN as a corporate actor only accepted the EU’s
influence after its own policy failure in the wake of the Asian financial crisis
and it was less the message per se than the circumstances that made the EU
model attractive. The test for the persuasiveness of the EU message, in our
view, would be whether ASEAN members would have been persuaded
without a crisis. This also shows, however, that, conceptually and
empirically, persuasion can be part of lesson-drawing or mimicking and
that the mechanisms – at least on a micro-level – are not as clear-cut as Börzel and Risse (2012) suppose (see also Johnston 2008: 23–4).

Of the indirect mechanisms (competition, lesson-drawing, normative emulation), we do not regard competition as a likely causal mechanism, as it is largely concerned with the adoption of regulatory norms related to economic liberalisation or product standards. The task is then to develop observable implications for the two remaining mechanisms, and to determine which mechanism is at work (see also Lenz 2012). According to most definitions of lesson-drawing in diffusion studies, actors start learning lessons in response to policy failure or crisis, which triggers the search for innovative solutions. Actors devise new institutions in light of the information about the effectiveness of policy solutions they receive from other regional integration experiences. Lesson-drawing, as Börzel and Risse (2012) note, sees actors looking to others for policies and rules that effectively solved similar problems elsewhere and are transferable into their domestic context – or, in the case of ASEAN, their regional context. The observable implication for the behaviour of ASEAN members is that we should see a systematic search for the most effective solution to a given problem. Members monitor their environment and compare regional integration experiences elsewhere to find an appropriate solution to a given problem or crisis. Normative emulation is driven by the adopter’s desire to belong to a symbolic community and identify with that community’s norms. In this case, actors do not necessarily view the EU as providing effective solutions but as representing norms and practices that the observer may wish to share. In our view, this does not necessarily involve the deep internalisation of these norms (Finnemore and Sikkink 1998). It does require that actors be aware of these norms and – perhaps more importantly – that they be aware of the benefits of adopting these norms. This might be in terms of an anticipated increase in benefits for the members and, in many cases, external acknowledgement and access to external resources that this acknowledgement implies (Meyer and Rowan 1977; see also Jetschke 2009; Schimmelfennig 2003).

What would we need to observe to determine that the underlying causal mechanism for the adoption of institutions is normative emulation? Two observable implications can be formulated. First, normative emulation can be distinguished from lesson-drawing by the lack of a clear functional demand for the adopted institutions. The question that needs to be answered here is whether the institutional change that ASEAN has undertaken was functionally necessary. Even in the presence of a crisis, we might ask whether the adopted institutions provided a good and feasible fit for the problem at hand. We should be able to say what functional equivalent alternatives were available that were rational but that were not considered or were rejected. If ASEAN members adopted EU-style institutions in the presence of available functional alternatives more in line with the ASEAN way as ‘cognitive priors’, we can safely assume that something other than lesson-drawing is taking place. Our process tracing of the adoption of the
Charter reveals significant channels of transfer and interactions between the EU and ASEAN, suggesting that, first of all, ASEAN’s choice for institutions cannot be explained without looking outside the region for institutional templates. A closer look at possible channels of transfer reveals a number of potentially relevant activities that might influence adoption decisions, for example, some EU efforts to replicate its experience as a model in Southeast Asia, through technical assistance. In addition, some individual EU states seek to promote EU policies independent of coordinated EU efforts, such as a German programme to develop a common ASEAN competition policy. Importantly, there are independent efforts by individual ASEAN members, such as Malaysia, Singapore and Thailand, to learn from the European economic integration experience. Bearing this in mind, we reduce the level of complexity by focusing our discussion on the decision-making context that existed when ASEAN members decided to adopt new institutions.

Why Adopt EU-style Institutions?

We now examine the mechanisms whereby ASEAN leaders decided to adopt institutions and ideas that can be defined as EU in origin. Based on our process tracing, we argue that the adoption of selected EU-style institutions by ASEAN members can be connected to normative emulation (see also Yeo 2008). We recognise that some elements in this process suggest rational learning as the underlying mechanism, such as the existence of an economic and political crisis. However, these crises did not necessarily determine EU institutions as effective solutions, although they led to the search for external ideas. ASEAN members were concerned about their image in an international community, and this ultimately suggested borrowing institutions from a regional organisation with high acceptance at the time: the EU. In brief, the sequence can be described as follows.

ASEAN experienced severe difficulties in the late 1990s, triggered by several events: a devastating financial crisis and several political predicaments which all appeared to demonstrate that ASEAN lacked important enforcement mechanisms ensuring member state compliance. Initially, however, member states sought to deal with these crises through attempts at more disciplined cooperation. However, by 2004 it became clear that given the rising economic competition from China and, to a lesser extent, India, ASEAN’s established means of cooperation were insufficient to guarantee the same level of economic success that had made ASEAN a ‘model’ in the first place. This created the functional demand for institutional adaptation, leading to the ASEAN Economic Community. The adoption of the Charter, however, with its emphasis on a rules-based community, followed a different logic. ASEAN members adopted the Charter because it promised what ASEAN was missing: external acknowledgement or recognition as a legitimate and relevant actor and as a
consequence a stream of urgently needed foreign direct investment (FDI). Perhaps the most striking factor to account for ASEAN’s selective adoption of institutions and policies reminiscent of the EU is the recognition of the lack of a coordinated response by ASEAN to the 1997–98 financial crisis. Until 1997 Asia’s ‘factory’ model of regionalism thrived primarily through unilateral trade liberalisation measures undertaken by national governments (most importantly China and Japan) in the decade of 1990 to 2000 in a competitive bid for FDI (Baldwin 2008). Its economic growth was critically dependent on the free flow of regional and global trade. East Asian countries’ effectiveness in generating sustained economic growth meant that Asia’s regionalisation was neither accompanied nor driven by any significant institution-building on a regional or sub-regional level. By the mid-1990s the success of East and Southeast Asian economies had made East Asia itself a model to be promoted by international financial institutions (Stieglitz 1996; World Bank 1993).9

Yet this growth model was challenged by policy crises soon after. The financial crisis illustrated the problems with ASEAN’s hitherto successful model of cooperation, exposing the institutional weakness of Southeast and East Asian regionalisation (Martin Jones 2008). The lack of coordinated efforts by governments appeared to deepen the financial crisis (Harris 2000; Higgott 1998; Rüland 2000; Soesastro 1999). It was feared that the withering of Asian states’ main basis of success would ‘fuel nationalism, undermine regional co-operation, and foster confrontation over long-standing territorial and other disputes’ (Hill 1999: 1). ASEAN proved unable to unify members behind a collective approach to the crisis. Leadership was lacking – and so was a coherent institutional response (Dent 2008: 150ff).

However, the financial crisis was only one factor driving further institutionalisation, and later facilitating diffusion by making actors more open to lesson-drawing. Other key factors were the political crisis in East Timor (1999) and the challenges posed by Myanmar. The military junta’s action against Myanmar’s most prominent political prisoner, Aung San Suu Kyi, invited external criticism by the United Nations, the US and the EU and strained solidarity within ASEAN. The junta’s lack of control over its territory resulted in refugee flows and drug trafficking along the Thai border, prompting then Foreign Minister Surin Pitsuwan, now ASEAN’s Secretary-General, to demand a reconsideration of ASEAN’s cardinal principle of non-interference (Haacke 2003). UN intervention in East Timor after the population’s vote for independence went against the ASEAN’s norm preventing outsider’s intervention that would take advantage of domestic instability (Cotton 2001; Dupont 2000). In addition, there was awareness of the need to seek effective regional cooperation to confront issues such as terrorism haze, people smuggling, organised crime, human trafficking and pandemics (Caballero-Anthony et al. 2006; Murray 2010b).

It was on the economic front that ASEAN was initially able to come up with a number of innovative responses along the lines of ASEAN’s
established ‘cognitive priors’. The ASEAN+3 (China, Japan and South Korea) Summit in November 1999 agreed to enhance ‘self-help and support mechanisms in East Asia’, and in May 2000 established the Chiang Mai Initiative as a regional financial arrangement to supplement the existing international facilities. These financial crises mechanisms soon raised questions regarding surveillance and monitoring, however. This created a functional demand for effective institutionalisation and ASEAN economic ministers sought more effective regional arrangements in East Asia, with the Plus Three partners (Dent 2008: 150–64). Simon S. Tay, a policy advisor to the Singaporean government, argued that ASEAN needed ‘to review and strengthen its forms of co-operation and interaction, and its modes for making and implementing foreign policy’. He emphasised ‘functional needs and ambitions’, ‘timely review and implementation’ and the need to strengthen ‘institutions and processes in ASEAN’ (Tay 2001: 266). Public debates on the Association’s under-institutionalisation, already under way since 2000, intensified and activated regional epistemic communities. The ASEAN–ISIS network and academics in the region argued that ASEAN needed to ‘reinvent’ itself to remain relevant (Yeo 2008). Further institutionalisation was now clearly on the agenda, but not necessarily along the lines of the EU.

The functional demand for more effective institutions did not determine the selective adoption of EU institutions or the ASEAN Charter. ASEAN could have proceeded along the lines of alternative regional institutions, such as the North American Free Trade Area. It could have further strengthened its dispute settlement mechanism, or increased the staff or the institutional capacity of the ASEAN Secretariat. It could have left its institutional structure unchanged. Certainly, the threat of FDI diversion was only temporary and recent data indicates that ASEAN had not lost that much of its attractiveness (Ravenhill 2009, 2010). The European integration process, with its formalised institutions, seemed to present some viable options because it was the most prominent experience of regional organisation observable.

On a governmental level, Singapore’s Prime Minister Goh Chok Tong was the first to promote the idea of adopting the European integration experience in 2001. In his keynote address to the Economic Summit in 2002, he saw the ‘general way forward’ in a ‘faster and deeper integration’. ASEAN should consider an ‘ASEAN Economic Community’, ‘not unlike the European Economic Community of the 1950s’, among other options (Goh 2002).

At the ASEAN Bali Summit of 2003, a High Level Task Force on economic integration recommended further integration – based on the ‘experience of other Regional Trading Arrangements’. In effect, however, ASEAN members examined only the experience of the EU. By 2003, the groundwork was laid for the adoption of some EU language concerning a single market (but not the adoption of a supranational Commission).
consolidated by a report on ASEAN’s future competitiveness by McKinsey 
that strongly recommended integrating the ASEAN market (Jetschke 2010; 
Schwarz and Villinger 2004). The Vientiane Action Programme of 2004 
developed, in detail, three communities and initiated preparations for a 
charter.

The movements toward greater institutionalisation and a single market 
can be interpreted as lesson-drawing. ASEAN was in a political crisis, 
making members open to learn and it was rational to consider the EU 
(Johnston 2008: 46). But by 2005, more was at stake. ASEAN’s relevance was 
being challenged: its international image and the continued flow of external 
resources. ASEAN appeared to experience what Johnston considers typical 
for normative emulation: ‘[I]f one does not join, then one may just suffer a 
loss of material benefits, but may also be viewed by others as out of fashion, 
behind the times and thus missing out of a status-enhancing experience’ 
(Johnston 2008: 46). Thus, ASEAN realised that its steps toward economic 
integration were not sufficient to guarantee its continued survival. In 2006, 
Goh presented this as an existential choice: ‘Integrate further or vegetate’ 
(Goh 2006), a perception shared by the ASEAN Secretariat (ASEC).

ASEAN members took steps to initiate regional initiatives. The most 
important is the East Asian Summit comprising ASEAN and China, Japan, 
India, Australia, South Korea and New Zealand, and, more recently, Russia 
and the United States.

ASEAN leaders had established the ASEAN Regional Forum in 1994 as 
a multilateral regional security body, although not the primary security 
driver in the region. It now comprises ASEAN plus ASEAN’s dialogue 
partners (Australia, Canada, China, the EU, India, Japan, New Zealand, 
the Republic of Korea, Russia and the US); one ASEAN observer (Papua 
New Guinea) and the Democratic People’s Republic of Korea, Mongolia, 
Pakistan, East Timor, Bangladesh and Sri Lanka. This was reinforced by 
the 2009 decision to set a strategic vision for a roadmap for 2020.

Despite these advances, and ASEAN’s key role in these forums, members 
felt that these initiatives did not send out the right signals in terms of 
ASEAN’s authority. ASEAN wanted to present itself internationally as a 
meaningful and predictable organisation. According to Ong Keng Yong, 
ASEAN’s Secretary-General from 2003 to 2007, ASEAN members 
themselves felt that ‘we need to come out with some new creative ideas, 
to maintain Southeast Asia attractiveness vis-à-vis China and vis-à-vis the 
emerging giant called India’ (Interview 05-2010).

At the ASEAN Summit in Kuala Lumpur members committed 
themselves to an ASEAN Charter. In 2006 an Eminent Persons Group 
was tasked to develop ‘bold and visionary’ ideas for ASEAN’s future 
development (ASEAN Secretariat 2006), and in November 2007 ASEAN 
members issued the ASEAN Charter.

While Singapore, Malaysia and Thailand, the economically most 
advanced members, continued to advocate an economic community,
Indonesia, in the process of deepening its democratisation, promoted a political and security community and – with the Philippines – advocated that ASEAN depart from its stance of non-interference in domestic affairs (Martin Jones 2008). Moreover, existing policy networks in Southeast Asia were galvanised into action and EU policy networks and technical expertise in support of deeper ASEAN integration took hold. There were ‘more serious attempts and studies to understand how the EU works’ (Yeo 2008: 92). During the ASEAN Charter deliberations in 2006–07, the EU was scrutinised for effective solutions to ASEAN’s cooperation problems.

Our interviews with ASEAN and European officials reveal that the EU and ASEAN discussed the idea of drawing on the EU experience of institutions and economic integration from 2005 onwards. Epistemic communities and policy networks in Europe and Asia account for substantial input to the ASEAN Economic Community and Charter, although there is also evidence that individual ASEAN member states examined EU treaties in order to form their own preferences. The Thai delegation directly ‘copied’ phrases from the EU Treaty in its drafts for the EPG report and Charter. Differences from EU texts emerged from the negotiation process within ASEAN, not unexpectedly, given domestic ‘cognitive priors’ and differences among state preferences (Interview 17-2010). The ASEAN Secretariat carried out an intensive study of the EU Charter, leading it to suggest items for inclusion in the ASEAN Charter, such as the motto, the promotion of an identity and legal personality (Interview 18-2010).

Members of the ASEC examined the EU Charter, because ‘the EU is the most advanced model of regional integration’ and has ‘proven successful’ (Interview 19-2010). It was clear from the outset that, given some ASEAN states’ strong preferences for an intergovernmental organisation, a supranational treaty would not succeed. As a high ranking staff member puts it: ‘We haven’t learned pooling’ (Interview 18-2010).

The ASEAN CPR was deliberately adopted as a copy of the EU COREPER, according to Ong Keng Yong (Interview 05-2010). On a regional level, Jusuf Wanandi of the Centre for Strategic and International Studies in Jakarta advocated elevating the ASEAN Standing Committee ‘to consist of permanent representatives from each member-state that are accredited to ASEAN to represent’ (Wanandi 2006: 86). More direct input was provided by the EPG, which, in July 2006, visited Brussels to ‘study the integration experience and problems in the European Union (EU)’ (ASEAN Secretariat 2006: 8), and to gain ‘firsthand experience of the EU institutions, its decision-making processes and its success stories’. Article 12 of the ASEAN Charter provides that the CPR support the work of the ASEAN Community Councils and ASEAN Sectoral Ministerial Bodies; coordinate with ASEAN National Secretariats and other ASEAN Sectoral Ministerial Bodies; liaise with the ASEAN Secretary-General and ASEAN Secretariat; facilitate ASEAN cooperation with external partners; and perform other functions as determined by the ASEAN Coordinating Council. It is not a
constituent element of decision-making in the same manner as COREPER, as COREPER forms part of the EU’s decision mechanisms. Staffing levels also differ significantly, with European Permanent Representatives having up to several hundred staff members and the CPR ambassadors about a dozen. Ultimately, the functions of these two bodies differ and so do their outputs. The EU results in binding legislation, unlike ASEAN. It is too early to state that a pattern along the lines of the close linkages between the EU’s COREPER and the Council secretariat as well as home ministries, which is embedded in the EU system, may become an ASEAN practice. Despite these differences, COREPER served as the example.

We observe direct influence of the EU on ASEAN through capacity building and technical assistance programmes. Financial transfers for the 2006–14 period amount to €56 million. Despite the amount of financial transfers, we do not regard these programmes as causal for ASEAN’s adoption of specific EU institutions and methods. Rather, they are the instruments helping members to achieve their collective goal of forming an ASEAN community (Martin 2009). In this case, EU documents often provide the basis from which ASEAN customs forms are then developed.

From the evidence, this article presents the case that recent institutional innovations in ASEAN can be considered to be selective instances of diffusion from the EU experiences to ASEAN. ASEAN members have investigated the EU’s integration, first, to solve the specific problem of institutionalising ASEAN and integrating the member states in light of the financial crisis and economic competition from the newly emerging powers of India and China (lesson-drawing). But ASEAN members felt that they needed a distinguishing feature relative to these markets. This is where the ASEAN Charter comes in. It cannot be described as having come about through lesson-drawing. Here, concerns for status in an international community and the very survival of ASEAN played a major role. Economic integration along the lines of the EU was not perceived as sufficient to guarantee ASEAN’s survival in light of emerging markets. What was needed was a visible alignment with a regional organisation whose reputation was – at that time – untarnished.

Discussion and Conclusions

What are the scope conditions determining the EU’s overall influence on the institutional design of ASEAN? As we have argued, there has been some influence: ASEAN members have selectively adopted specific institutions and policies. At the same time, ASEAN members have not committed to an EU-style transfer of sovereignty. The discussion of scope conditions in the introduction provides a useful framework for explaining selected but limited adoption processes (Börzel and Risse 2012). One important scope condition influencing the nature of EU impact and the causal mechanism for adopting EU institutions is the existence of a relative symmetry of power combined
with distance between the two regional groupings. ASEAN members perceive the relatively large distance between Europe and Southeast Asia as an opportunity rather than a constraint. While ASEAN members depend on the EU for much of their exports, the EU has a keen interest in market access to Southeast Asia. This has given ASEAN members greater freedom to selectively choose from the menu of European institutions.

The power symmetry between ASEAN and the EU, whereby ASEAN is considered to constitute an alternative model of regional cooperation, has meant that the more indirect mechanisms provide the causal connections between the EU and ASEAN institutional changes. This, plus the distance between Europe and Asia, increases the chance that actors take each other’s experience seriously, facilitating lesson-drawing. In effect, the EU influence is less than can be expected in its immediate neighbourhood where an accession perspective exists, but is more than we might expect given the differences between Asia and Europe.

A second condition accounting for ASEAN’s adoption of EU-style practices is policy crisis. It is a necessary but not sufficient condition leading actors to scrutinise their environment for effective solutions for cooperation problems. The Asian financial crisis had precisely this function, triggering openness among ASEAN members and a search for new solutions.

Although not directly applicable because we are considering institutional changes in a regional organisation, institutional capacity provides an important scope condition for EU influence. The ASEAN Secretariat’s lack of institutional capacity and expertise of staff members in the past has meant that, even if members were willing to adopt some integration techniques from Europe, they were unable to implement them. The EU’s financial support – despite challenges in implementing APRIS – for the first time provides members with the means to implement regional integration.

On a state level, it can be observed that the more economically advanced countries with the greater state capacity, like Singapore, Malaysia and Thailand, were the most consistent supporters of regional economic integration. They benefit from economies of scale in a larger market. As a general condition for the level of EU influence, one could then argue that a higher state capacity increases the fit of the EU integration model as the EU model is better applicable to more industrialized states. Effective integration requires a developed state bureaucracy, trained staff and a diversified economy. The more developed an economy, the more applicable the EU experience. At the same time, political and cultural heterogeneity, as in ASEAN, limits the fit of the EU, whose members were relatively culturally and politically homogenous when they established supranational institutions (Capanelli et al. 2010).

Similarly, the level of EU influence is seriously constrained and circumscribed by mixed political systems of ASEAN members, and members’ preference for Westphalian-style sovereignty (Acharya 2003). Here, ASEAN’s own method of integrating new members, by accepting
them as the ‘persons’ they are (in ASEAN terminology) instead of demanding domestic adjustments from them, is perceived by the more progressive member states, such as Indonesia, itself a key leader in ASEAN and the region, as an unfortunate but unavoidable side effect of the ASEAN way of cooperation. It remains to be seen whether the democratisation of some members, most importantly Indonesia, will create the social force on a domestic and regional level toward greater institutional change.

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Notes

1. See the ‘European Community Support for Regional Economic Integration Efforts Among Developing Countries’, and the 2003 ‘A New Partnership with South East Asia’.
9. See, for example, the Asian Development Bank Working Paper Series on Regional Economic Integration.
12. EU–ASEAN Programme Cooperation (Update April 2010) Overview provided by ASEC.
13. These are set out as the following five components: Standards and Conformance; Customs and Trade Facilitation; Investment; Capacity Building and Trade and Investment Facilitating Mechanisms TREATI and READI Dialogues. See http://www.aseansec.org/apris2/index.htm
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