

By Invitation

# Asean and the EU: Differences and challenges

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**Both organisations mark important anniversaries this year. Asean will learn from the EU to make sure it is not viewed as elitist.**

This is a big year for Asean and the European Union. Asean is celebrating its 50th anniversary. The EU is celebrating its 60th anniversary. The EU, notwithstanding the decision by the United Kingdom to leave the union, is often referred to as the most successful regional organisation in the world. Asean is often referred to as the second most successful regional organisation.

In this essay, I would like to compare and contrast the similarities and differences between Asean and the EU. I will begin with the similarities.

## **SIMILARITIES**

The first similarity is that both are regional organisations with legal personalities. The EU has 28 members and will have 27 in March 2019. Asean has 10 members, with Timor Leste knocking on the door.

The second similarity is that both were founded to promote peace. The EU was founded, after two disastrous world wars, to prevent the recurrence of war in Europe and to institutionalise peace through economic integration. Asean was founded to create a peaceful environment in South-east Asia so that the Asean countries could focus their energies on their economic development.

The third similarity is that both seek to integrate the economies of their member states into a single market and production platform.

In the case of the EU, there is freedom of movement of goods, services, capital and labour.

In the case of Asean, the movement of labour is not free. The Asean Charter obliges the member states only to facilitate the movement of business persons, professionals, talents and labour. This is a major difference between Asean and the EU.

The fourth similarity is that both organisations share a commitment to human rights. The EU has a Charter of Fundamental Rights and Asean has a Declaration of Human Rights.

The Asean Charter contains several provisions in its Preamble, Purposes and Principles on human rights. Asean has two commissions on human rights: the Asean Intergovernmental Commission on Human Rights and the Commission on the Rights of Women and Children.

However, the EU has a European Court of Justice. Asean does not have a court.

The fifth similarity is that both Asean and the EU have concluded many free trade agreements or comprehensive economic partnership agreements with other countries. For example, the EU and Singapore have concluded a free trade agreement which is pending ratification. Asean has concluded such agreements with China, Japan, South Korea, India, Australia and New Zealand but not with the EU.

The sixth similarity is that both Asean and the EU hold regular political and economic dialogues with important external partners. The EU holds annual summits with, among others, the United States, China, Japan and Russia.

Asean has created three forums to engage its external partners, namely, the Asean Regional Forum, Asean Plus Three and the East Asia Summit. In addition, Asean holds bilateral dialogues with its 10 dialogue partners. Finally, Asean holds an annual summit with the US, China, India, Japan and South Korea.

## **DIFFERENCES**

There are several important differences between Asean and the EU.

The first difference is that Asean is an inter-governmental organisation. The EU, in contrast, is a supranational organisation in which its member states have agreed, in certain areas, such as trade, to pool their sovereignties. In other words, the member states have voluntarily agreed to give up part of their sovereignty. The pooled sovereignty is exercised by the European Commission on behalf of the member states.

The second difference is that the EU has a common currency called the euro. Only 19 of the EU's 28 members are members of the euro zone.

Asean does not have a common currency and has no plans to have one. However, in the aftermath of the 1997 Asian Financial Crisis, Asean, together with China, Japan and South Korea, launched the so-called Chiang Mai Initiative. The project brings together the 13 finance ministers and central bank governors. Their agenda is to promote greater financial cooperation among the 13 countries.

The third difference is that the EU has a Parliament and Asean does not. The European Parliament has the power to legislate, as well as the power to veto budgets and appointments. Asean has the Asean Inter-Parliamentary Assembly which has only the power of moral suasion.

The fourth difference is that the EU has a very powerful secretariat called the European Commission and Asean has a relatively small and weak secretariat.

The European Commission acts like a government and is entitled to enter into treaties. The commission has the power to put forward proposals for legislation.

The Asean Charter has enhanced the power of the secretary-general. One of his most important responsibilities is to issue an annual report card on each member state's compliance with its obligations.

The fifth difference is in the decision-making process. Asean takes all its decisions by consensus. The EU can decide by taking votes. There is a system of weighted voting, with different countries being given different numbers of votes. However, in the area of common foreign and security policy, decisions are based on unanimity.

In Asean's case, there is an exception to the consensus rule: economic agreements can be adopted by a majority, using the "Asean minus X" formula. The logic is that the majority can proceed first and the minority will catch up later.

The sixth difference is on language policy. The EU has 23 official languages. In the case of Asean, English is used as the sole medium for meetings and communications.

## CONCLUSION

I want to conclude by expressing my confidence in the EU. I believe that the EU, without the UK, will be stronger and not weaker because it will be more cohesive. I do not believe that the EU will break up or that the euro will fail.

In the same way, I believe that Asean will overcome its challenges and remain united and independent. Learning from the experience of the EU, Asean will redouble its efforts to ensure that it is not viewed as an elitist project. Instead, Asean must ensure that it enjoys the support of the 625 million citizens of Asean.

**•The author, a Singapore diplomat, served as the founding executive director of the Asia-Europe Foundation and chairman of the High Level Task Force which drafted the Asean Charter.**