

ASEAN CHALLENGES TOWARD SUPRANATIONAL ORGANIZATION

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Abstract: ASEAN has remained an intergovernmental organization based on consensus and non-interference in domestic affairs since its first establishment in 1957. Progress towards integration in this region has been slow. After facing criticism for its weak response to the Asian financial crisis, ASEAN decided to step up cooperation by forming ASEAN Community in 2015, a community based on three pillars: economic, political-security, and socio-cultural. ASEAN community building over many decades has made significant steps for deepening regional economic integration, seen as an approach to supranational integration. Supranational organizations are seen by many as a better way to govern the affairs of nations, prevent conflict and promote cooperation, particularly on economic matters. Because AC indicates ASEAN's intentions to shift from intergovernmental toward supranational, this research will examine the ASEAN attempt to become a supranational organization. The research method used in this research is a qualitative method with legal and socio-legal approaches that focus on policies and regulations. Social, economic, and political perspectives are also used in this study as an analysis tool. This study found that despite making remarkable developments for deepening economic integration, ASEAN is unlikely to head into a supranational organization due to sovereignty preservation of member states as a basic fundamental principle of organization. However, this study concludes that supranational organizations could still become a reference for ASEAN's future institutionalization.

Keywords: ASEAN, Regional Integration, Intergovernmental organization, Supranational organization.

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1. INTRODUCTION

As more and more different world regions become politically, culturally, and economically intertwined, the world becomes increasingly globalized. The forces of globalization have impacted the restructure of the region's social, political, and economic elements. States and societies have responded to these impacts by deepening, altering, or reversing the effect of globalization through processes of regionalism. While regionalism refers to a group of countries' formal economic cooperation and economic arrangements aimed at facilitating or enhancing regional integration, regional integration is defined as a process by which states within a region increase their level of engagement in areas such as economics, security, politics, or social and cultural issues to improve cooperation. Regional integration and regionalism support the increasing globalization of economic and political relations, thus, globalization affected regionalism, which in turn shaped regional integration.¹

Regional integration has been organized through either supranational institutional, intergovernmental structures, or a combination of the two. As things currently stand, only one institution is usually regarded as supranational: the European Union (EU). As a result, any discussion of supranational institutions must begin with the EU. Supranational regional governance has proven

¹ Axel Berkofsky, "Comparing EU and Asian Integration Processes-The EU a Role Model for Asia?," 2005, 6–8.

to be a powerful tool for dealing with such complexities in a changing world where evolution constantly challenges traditional decision-making and countries struggle to regulate increasingly trans boundary political and economic processes.² Many people believe that supranational organizations offer a better method of controlling nations' affairs, reducing conflict, and fostering cooperation, particularly in economic and military subjects.³ In comparison to other organizations, the EU possesses a few distinguishing features that, when combined, set it different. The EU's member states have ceded some of their sovereignty to the union, and in this sense, the EU is nearly literally above its member states, hence the term "supranational."

Supranational organizations usually provide member states with more collective power in international issues. Regions have been purposely formed as a middle level between the state and the international system to deal with phenomena and processes that transcend national communities' borders. There are now an almost infinite number of regional organizations working in various sectors, each with differing degrees of influence and decision-making ability. Although most of them only execute specific roles, there has been a surge in the formation of 'general purpose' regional organizations, the best-known and most established of which is the European Union (EU). Some of them have evolved out of specific trade agreements (e.g., free trade areas), such as the Common Market of the South (Mercosur). In contrast, others have been created to guarantee security and development, such as the African Union (AU) and the Association of Southeast Asian Nations (ASEAN).⁴

Southeast Asia's regional integration is the world's second most successful project of institutionalized regional cooperation, trailing only the European Union (EU). The Association of Southeast Asian Nations (ASEAN), like the European Union (EU), has brought peace, stability, and significant socioeconomic growth to a region where neither could previously be taken for granted.⁵

ASEAN has been functioning as a loosely organized association for more than 40 years since its first establishment. The main activities were directed toward securing regional stability and mainly focused on nation-building projects; the expansion of globalization gave ASEAN states a solid pressure for confronting a new era of integration.⁶ ASEAN believes there is an urgent need to institutionalize and transform itself into a more rules-based organization to meet regional cooperation's growing scope and complexity, which will eventually lead to deeper regional integration. By far, ASEAN has achieved two sets of conditions that must be met for integration to succeed. First, there is the demand condition, an area with significant cross-border trade exchange, which will lead to solid market pressure for integration. Second, there is the supply condition, which is a set of conditions in which political leaders are willing and able to accommodate demands for functional integration at each stage of the integration process and supply-side conditions.⁷

In facing economic globalization, ASEAN integration has become an unavoidable demand.⁸ The formation of trade blocs in other parts of the world prompted ASEAN members to form a counterpart organization. In response to these pressures, the *ASEAN Free Trade Agreement* (AFTA) was established in 1992, eventually becoming one of the four largest RTAs globally, alongside the EU, NAFTA, and Mercosur. Concerning the supply side, Indonesia's 'leadership' position extends back to the inception of ASEAN in 1967, and Indonesia's desire to join ASEAN was essential to ASEAN's formation. 'Indonesia's moderation, combined with its significant contribution to regional

² Stephen Buzdugan, "New Regionalism," *Encyclopedia Britannica*, November 2017.

³ Marshall Hargrave, "Supranational Definition," December 2020.

⁴ Lorenzo Fioramonti, "The Evolution of Supranational Regionalism: From Top-down Regulatory Governance to Sustainability Regions?" (Brugge, 2014).

⁵ Frederick Kliem, "ASEAN Imperfect: The Changing Nature of Southeast Asian Regionalism," *Panorama Journal: Insights into Asian and European Affairs* 1 (2018): 23–33.

⁶ Hoang Thi Ha et al., "ASEAN AND The EU IN PERSPECTIVE: BREXIT & BEYOND," *ASEAN Studies Centre at ISEAS-Yusof Ishak Institute* 9 (August 2016).

⁷ Benny Teh Cheng Guan, "ASEAN's Regional Integration Challenge: The ASEAN Process," *The Copenhagen Journal of Asian Studies* 20 (2004): 70–94, <https://doi.org/10.22439/cjas.v20i0.34>.

⁸ Erman Rajagukguk, "Harmonization of Law in ASEAN Countries towards Economic Integration," *Indonesian Journal of International Law* 9 (July 2012): 529, <https://doi.org/10.17304/ijil.vol9.4.358>.

cooperation, gained the country the respect and recognition of the other members as a *primus inter pares* (first among equals).⁹

Started with forming an AFTA, a *free trade area* as one of the five steps encapsulate the process of integration in 1992; create an ASEAN constitution in 2007 to facilitate ASEAN integration by providing ASEAN member states with legal status and an institutional framework; and the most recent is the transformation of AFTA into the ASEAN Economic Community, achieving the region's end goal of economic integration in 2015, this article is aiming to analyze ASEAN's potential at building supranational institutional structures to counter the challenges of regional integration. This article begins with an overview of supranationalism, followed by an outline of attempts at supranationalism within ASEAN. It concludes by discussing some of the common problems confronting Southeast Asia's supranational integration potential, as identified in the preceding analysis.

2. DISCUSSION

2.1 Supranational vs Intergovernmental Overview

The key distinction between an intergovernmental organization (IGO) and a supranational organization (SNO) is the scope of autonomous regulatory power that the body may have.¹⁰ Supranational is defined as: *outside or beyond the authority of one national government, as a project or policy that is planned and controlled by a group of nations*. It refers to a broader entity with the authority of many countries to make decisions on their behalf.¹¹ These groupings usually begin with an economic or trade arrangement and progress to a similar interest or objective.¹²

Supranationalism is later used to refer to governance arrangements in which states decide to delegate some decision-making authority to a body or decision-making forum that is above the nation state. States give up their right to veto and agree to be bound by the majority decisions of cooperating states, thereby ceding some control (but they still have to agree to do this, i.e. to pool sovereignty, in the first place). In these cases, states may be forced to accept a policy that goes against their personal preferences in a given situation. As Nugent notes "*supranationalism takes inter-state relations beyond cooperation into integration, and involves some loss of national sovereignty*".¹³

The most fundamental qualities of supranational organizations, according to Henry G. Schemers, are discussed in the following paragraphs. The closer the above-mentioned characteristics are met, the more supranational the organization is thought to be. According to studies, the European Union is the organization with the most supranational traits that meets the conditions listed below.¹⁴

The organization should have the power to take decisions binding on the member states. Only if the organization is highly integrated can binding decisions be taken by majority vote. Otherwise, they may create tensions that may even endanger the existence of the organization.

Under its constituent treaties, the EU has the power to take decisions that binding on the member states. Following the adoption of the Lisbon Treaty, the ordinary legislative procedure has become the most commonly used type of decision-making method in the EU. It applies to the majority (but not all) of the policies outlined in the Treaty on the Functioning of the European Union. Qualified Majority Voting is used to make decisions in the typical legislative procedure (QMV). This means that when a predetermined majority of member states (representing a particular percentage of the EU population) agree, a decision in the Council does not require unanimity.¹⁵

⁹ Christopher B. Roberts and Erlina Widyaningsih, "Indonesian Leadership in ASEAN: Mediation, Agency and Extra-Regional Diplomacy," in *Indonesia's Ascent* (Palgrave Macmillan UK, 2015), 264–86, https://doi.org/10.1057/9781137397416_13.

¹⁰ Peter L. Lindseth, "Supranational Organizations," *Papers.Ssrn.Com* 551, no. 2004 (September 2014): 1, <https://doi.org/10.1093/law/9780199672202.003.0007>.

¹¹ Louis de Gouyon Matignon, "The Differences between International and Supranational Organizations," July 2019.

¹² "Whose Team Are You On? – Supranational Organizations – Foreign Policy," February 2017.

¹³ University of Portsmouth, "Intergovernmentalism and Supranationalism," European Studies Hub, 2013.

¹⁴ Henry G Schemers and Niels Blokker, *International Institutional Law*, Fifth Revi (LEIDEN | BOSTON: Martinus Nijhoff Publishers, 2011).

¹⁵ Martina Schonard, "Supranational Decision-Making Procedures," Fact Sheets on the European Union | European Parliament, April 2021.

The organization should have the power to enforce its decisions. Enforcement should be possible even without the cooperation of the governments of the states concerned.

Decisions that will bind the member-states can be made by majority vote under the constituent treaties. As a result, it is completely feasible that a member-state will be forced to engage in activity that it strongly opposes.¹⁶

The organization should be empowered to make rules that directly bind the inhabitants of the member states. This power enables the organization to perform governmental functions without the need or the possibility for national governments to transform the rules of the organization into domestic law.

As a result of their EU membership, the European Union's member states have decided to delegate some of their powers to EU institutions in specific policy areas. Thus, in their legislative and executive procedures, budgetary procedures, appointment procedures, and quasi-constitutional procedures, EU institutions make supranational binding decisions. The outcome of those decisions is EU law, rules that directly bind the citizens of the member states. This power permits the organization to carry out governmental activities without the requirement or possibility of national governments converting the organization's regulations into domestic law. People frequently remark that the member-states have given parts of their sovereignty to the EU in this sense, and it is in this sense that the EU stands, almost literally, above its member-states, hence the name "supranational".¹⁷

The organization should have some financial autonomy. The financing of organizations from funds entirely subscribed by the member states leads to a dependence extending beyond the purely financial field. By refusing to provide the organization with sufficient income to appoint qualified staff members or necessary equipment, governments could hamper the functioning of the organization.

The European Central Bank (ECB) is the eurozone's central bank, in charge of establishing monetary policy for all member countries and managing the single currency. Its primary responsibility is to preserve price stability or control inflation by establishing key interest rates and controlling the supply of the euro. The ECB is also the exclusive issuer of euro bank notes and handles the Eurozone's foreign currency reserves.¹⁸

Using the European Union (EU) as an example, a SNO can wield a wide range of rulemaking, adjudication, and enforcement powers while remaining relatively independent of intergovernmental or national control, at least within the area of authority given to the supranational level. Indeed, in the case of the EU, the fundamental objective of delegating authority has been to foster this type of autonomy. The goal has been to overcome challenges with cooperation and coordination among different principals (the member states).

Another perspective is also stated by Joseph H. H. Weiler in his seminal work "*The Dual Character of Supranationalism*", that there are two main facets to European supranationalism, these are; Normative supranationalism refers to the relationships and hierarchy that exist between Community policies and legal measures on the one hand and competing policies and legal measures of member states on the other (the executive dimension), and Decisional supranationalism refers to the institutional framework and decision-making processes through which such measures are initiated, debated, formulated, promulgated, and, finally, implemented (the legislative-judicial dimension). Because of its organisational structure and decision-making procedures, the European Union is generally regarded as a supranational entity.¹⁹

In contrast to SNO decision-making, international organizations generally follow the norm that binding law-making decisions can only be made by unanimity or consensus, and that such rules do not usually apply directly to member-state domestic legal regimes. In intergovernmentalism, state governments have a stronger role. In this case, the organization does not ascend above its members, but rather remains between them, hence the term intergovernmental.²⁰

¹⁶ Martina Schonard, "Supranational Decision-Making Procedures," | Fact Sheets on the European Union | European Parliament, April 2021.

¹⁷ Schonard.

¹⁸ Adam Hayes, "European Central Bank (ECB)," Investopedia, 2020.

¹⁹ "Power in the EU: The Supranational Thesis," University of Groningen, n.d.

²⁰ Leonard (Centre for European Reform) Schuette, "Should the EU Make Foreign Policy Decisions by Majority Voting?," *Centre for European Reform: Hot Topics*; 15 May 2019, no. May (2019).

Intergovernmentalism refers to arrangements “whereby nation states, in situations and conditions they can control, cooperate with one another on matters of common interest”. Under such circumstances states are free to cooperate (or not) and have the ability to set the level of collaboration. Normally, this is ensured by a veto, which allows a state to block any proposal submitted by any other party if it so chooses. In such cases, there is no loss (or pooling) of sovereignty. When states want to, they cooperate; when they don't, they don't. In national legal orders, the extent of an IGO's delegated regulatory power, particularly in the economic or trade context, is often less comprehensive, intrusive, and/or binding than in the case of a SNO.

As the most fundamental characteristic, the decision-making powers in intergovernmental organizations are exercised by representatives of governments. Organs made up of people who are not affiliated with any of the member states, such as expert committees or parliamentary assemblies, may serve as advisors, but they will not have the authority to make final decisions. Governments cannot be coerced into doing things they do not wish to do. Intergovernmental groups foster cooperation among governments and are not in any way superior to them. Although intergovernmental organizations can sometimes make binding decisions, this is only possible if all members unanimously approve the choice in question. A government can prohibit the approval of a draft decision by voting against it.²¹

2.2 ASEAN Attempt Become Supranational Organization

The European Commission officially launched a €7.2 million program to support the ASEAN integration process on June 5, 2007 at the ASEAN Secretariat in Jakarta.²² Observers of the EU's foreign relations cannot help but remark that, notwithstanding disclaimers in a European Commission Communication from 1995, the European model of regional integration is at least offered as a reference point for regional integration elsewhere.

This research also sees ASEAN's attempt to deepen integration by forming a free trade zone, known as AFTA, as one of four largest RTAs alongside the EU, NAFTA, and Mercosur as a potential for ASEAN shifting its integration toward supranational organization. It paved the way for other ASEAN economic projects, which together provided the foundation for the AEC. One of ASEAN's goals, as stated in Article 1.5 of the Charter, is to “create a single market and production base that is stable, prosperous, highly competitive, and economically integrated, with effective facilitation for trade and investment which allows for the free flow of goods, services, and investment; the facilitation of the movement of business people, professionals, talents, and labor; and the freer flow of capital.” The AEC Blueprint 2025 envisions a deeply integrated and cohesive ASEAN capable of delivering inclusive economic growth.²³

The goal of ASEAN integration was stated in its founding document. The Bangkok Declaration in 1967 sets ASEAN's goal as creating “a prosperous and peaceful community of South-East Asian Nations.” As a result, ASEAN's main activities during this period were aimed at ensuring regional stability and focusing on each country's own nation-building projects. However, the expansion of globalization put ASEAN states under intense pressure to enter a new era of integration. The integration among ASEAN countries becomes an avoidable demand in facing economic globalization²⁴, and one of the most important measurements for a deeper integration is the liberalization of trade.²⁵

The January 1992 agreement of the ASEAN-6 (the five founding members plus Brunei) to establish AFTA, which became effective in 2002, was a watershed moment in ASEAN integration. The emergence of economic blocs such as the EU, MERCOSUR, and APEC in other regions of the world spurred ASEAN member countries to form a parallel organization. The rapid expansion of China as an alternative location and a key competitor for global foreign direct investment, which ASEAN members perceived as a major danger to their continued economic progress, raised demand for the region to create a wider united market. The ASEAN Free Trade Agreement (AFTA) was founded in 1992 as a result of these pressures.

²¹ Schermers and Blokker, *International Institutional Law*.

²² “PRESS RELEASE European Commission Provides € 7.2 Million to Support ASEAN Integration Process Jakarta, 5 June 2007 - ASEAN | ONE VISION ONE IDENTITY ONE COMMUNITY,” n.d.

²³ Daniel Chua and Eddie Lim, *The ASEAN Charter, Asean 50*, 2017, https://doi.org/10.1142/9789813221147_0005.

²⁴ Rajagukguk, “Harmonization of Law in ASEAN Countries towards Economic Integration.”

²⁵ Min hyung Kim, “Theorizing ASEAN Integration,” *Asian Perspective* 35, no. 3 (2011): 407–35, <https://doi.org/10.1353/apr.2011.0005>.

Given the virtual absence of regional integration among ASEAN members prior to that time, this was a remarkable accomplishment. Many observers saw AFTA as a symbol of ASEAN's desire to unite the region through economic integration. Following AFTA, ASEAN integration moved very fast, with ASEAN leaders undertaking many key measures at summits and ministerial meetings. These include: the ASEAN Framework Agreement on Services in 1995; the ASEAN Vision 2020 in 1997; agreements on the ASEAN Investment Area, the Mutual Recognition Arrangement, and the Hanoi Action Plan in 1998; and the Initiatives for ASEAN Integration in 2000. Furthermore, ASEAN leaders agreed in 2003 to develop AFTA into the ASEAN Economic Community (AEC) by 2020. Indeed, some analysts believe that the AEC showed ASEAN members' determination to transition from intergovernmental to supranational organization.

ASEAN leaders stated their intention to draft an ASEAN constitution in 2005. (i.e. the ASEAN Charter). The ASEAN Charter, which was meant to enhance ASEAN integration, offers ASEAN member nations with legal standing and an institutional framework within which they can interact in a more rule-based environment. It was signed in November 2007 and went into effect on December 15, 2008. The implementation of the charter for deeper regional integration resulted in the formation of the ASEAN Community by 2020, however it was pushed back to 2015.

The ASEAN Economic Community (AEC) is seen as a superior level of integration in ASEAN, with the goal of achieving a competitive ASEAN economic region through the free flow of goods, services, investment, and freer flow of capital and people. The AEC is a highly ambitious effort at deep integration which includes factors of production as well as a dispute settlement mechanism. It is based on the ASEAN Vision 2020 of 1997 as well as the recommendations of the ASEAN High Level Task Force.²⁶ The AEC has four pillars that aim to “*transform ASEAN into a single market and production base, a highly competitive economic region, a region of equitable economic development, and a region fully integrated into the global economy*” (ASEAN 2008). It has frequently been wrongly compared to the Single Market of the European Union. The AEC, on the other hand, is neither a customs union (with a single foreign commercial policy) nor a full-fledged common market (with free mobility of capital and labor and some policy harmonization).

ASEAN should gain from economies of scale and efficiency in production network processes as a result of the establishment of a single market and production base. ASEAN might use economies at various stages of development to provide complementing locations for industrial networks. An integrated market and industrial base would undoubtedly promote intra-regional trade and investment flows, while an ASEAN consumer market of over 500 million people would be appealing to investors.

Critics have mainly dismissed ASEAN's ambition of attaining economic unity by the end of 2015. Despite the delay, many believe the ASEAN Economic Community (AEC) will provide significant benefits, particularly to the region's larger countries. ASEAN said in November 2014 that “good progress” had been made across around 88 percent of the AEC's three pillars.²⁷ In terms of integration, the AEC has a long way to go compared to what it aspires to achieve and what the EU has accomplished. The most significant gain thus far has been in trade in goods with zero or low tariffs, however non-tariff obstacles continue to be a major issue. In the AEC, intra-regional commerce accounts for barely 25% of total trade.

Most observers of ASEAN integration procedures have concluded that the formal creation of the ASEAN Economic Community in 2015 does not mark the conclusion of the integration process. Furthermore, they see the AEC as a stepping stone toward further integration. Furthermore, ASEAN decision-makers recognize that there is still much work to be done. All of this culminated in the adoption of a new blueprint - the ASEAN Economic Community Blueprint 2025.²⁸

In terms of movement, an ASEAN-wide visa-free regime is not yet in existence. Nationals of an ASEAN country are not permitted to live, work, or study in other ASEAN countries unless the host government grants permission. In terms of migrant workers, progress on an ASEAN legal instrument to protect the rights of migrant workers has been modest during the last ten years. However, the AEC is making measures to facilitate the flow of skilled employees. ASEAN countries have agreed to eight professional Mutual Recognition Arrangements (MRAs). This allows a service provider's

²⁶ Siow Yue Chia, “The ASEAN Economic Community: Progress, Challenges, and Prospects” (Tokyo, August 2013).

²⁷ Anthony Fensom, “AEC Dream's Failure 'Still A Success' ,” *The Diplomat*, 2015.

²⁸ Pawel Mariusz Pasierbiak, “Causes, Origins and Possible Effects of the ASEAN Economic Community (AEC),” *JAS (Journal of ASEAN Studies)* 6, no. 1 (August 2018): 1–23, <https://doi.org/10.21512/JAS.V6I1.3897>.

qualification recognized by a regulatory authority in his or her native country to be mutually recognized by other ASEAN countries. However, these agreements are subject to domestic rules, meaning that skilled labor movement is not "completely free." As a result, there has been no large-scale mobility of professionals across borders within the ASEAN Community as a result of these MRAs. The concept of a common ASEAN visa for non-ASEAN people is being examined in ASEAN in order to promote ASEAN as a single tourism and commercial destination. However, due to strong concerns about sovereignty and security, as well as technical difficulties, this idea is unlikely to materialize anytime soon.

Concerns have also been raised about the ASEAN Secretariat's ability to drive change, given its limited resources in comparison to organizations such as the European Union. Nonetheless, despite the area's anticipated missteps toward full integration, ASEAN's development potential should keep the region in the spotlight for some time.

2.3 ASEAN's Regional Identity and Objectives

In order to form a strong bloc, member states should recognize some common standards of conduct and basic principles to adhere to. Such standards are frequently used as a criterion for membership in an association. Standards and principles for various regional organizations are based on and reflect common values and norms, and these provide credibility to the associations as well as a foundation for a regional identity and the development of a sense of that identity among the region's members. The organization will not be able to function as a true entity unless it adheres to such standards and principles. The Charter of the Organization of American States, for example, and the Constitutive Act of the African Union both enshrined some common principles, values, and norms. European identity is the result of both European history and culture in Europe. The EU is primarily founded on certain values, such as respect for human dignity, fundamental rights, freedom, democracy, equality, and the rule of law.

Because Southeast Asia is more of a geographical region than a political, economic, or cultural region, ASEAN members must work harder to build mutual trust in order to move quickly on effective regional integration and strengthen common standards and values. The formation of ASEAN, on the other hand, has expressed Member States' commitment to certain shared values and principles.

The institutional structure of ASEAN is compatible with the intergovernmental integration scheme. State preferences have supported regional collaboration to boost growth while safeguarding state sovereignty. Southeast Asia has been a politically fractured region beset by several internal wars and foreign influences, making regionalization in this region slow and challenging. Southeast Asia's multiple states represent a wide spectrum of political, legal, and ideological diversity that differs from the conventional homogeneity of most regional groups.

In Southeast Asia, nationalism rooted deeply in ethnic and racial differences is "a reflection of the region's diversity, geographical dispersal, troubled past and its lack to date of the soothing interconnections that have existed for some time in Western Europe". A fundamental change in both the external environment and the ideological content is by definition critical to the future of an organization that was formed as a result of a combination of external threats and domestic challenges.

ASEAN's legislative procedure lacks the supranational nature and intricacy of the EU's. The legal framework of ASEAN is comprised on two sets of agreements: (a) Collective agreements negotiated by ASEAN member states, either among themselves or with third parties, that confer rights and obligations on individual ASEAN members; and (b) International agreement between ASEAN and a third party that establish rights and obligations for ASEAN as a separate entity from its member nations. As a fundamental principle, ASEAN's decision-making is based on consultation and consensus. There is no vote system, and all member states react with a 'no-objection' response to seek consensus. Even if there are some exceptions to consensus in flexible participation in cooperation activities under the ASEAN Economic Community, decisions and agreements made at all levels of the ASEAN institutional spectrum follow this principle.

ASEAN member country coordinate policy formulation and implementation of decisions and agreements at the national level. ASEAN member countries must take all necessary steps, including enacting appropriate domestic legislation, in order to effectively implement ASEAN agreements. This transposition would require (a) national political will; and (b) conformity of domestic legal structures in place for implementation. The ASEAN National Secretariats under Ministries of Foreign Affairs act as national focal points for coordinating national implementation of ASEAN decisions or agreements in non-economic or trade areas. The slow progress of ASEAN agreement implementation is due to the high cost of establishing new mechanisms and bodies, as well as a lack of enforcement. Because the

majority of ASEAN members' legal systems adhere to the dualist system, domestic legislation will be required to give effect to an international treaty rather than considering it self-executing.

Despite significant progress toward deep integration, supranational does not serve as a foundational concept for Southeast Asian or ASEAN integration due to a number of limitations.

First, in theory, a treaty with clear rules and procedures would have bound and ensured member-state commitment. But ASEAN is incapable of drafting any kind of treaty comparable to the 1957 Treaty of Rome establishing the European Economic Community. This inability stems from a political culture that values sovereignty and non-interference, as enshrined in the ASEAN Charter. The ASEAN way contributed to regional political stability, creating a favorable environment for foreign investment, but it did not allow member states to capitalize on such opportunities collectively. As the Association becomes more firmly ensconced within its norms, it will find it more difficult to establish the institutional structures necessary for increasing intra-trade and deepening economic integration.

Second, when the ASEAN Charter was implemented, there was no institution that served as the community's *de facto* supranational decision-making organ; there was only a coordinating body. In contrast to the EU, ASEAN leaders have consistently rejected the concept of supranationality, which may involve the sacrifice of some amount of domestic sovereignty.

Lastly, the Southeast Asian countries' general authoritarianism kept the region 'separated' and prevented economic integration. The primary purpose of authoritarian leaders is to maintain power, therefore the individual leader's survival takes precedence above the interests of the state. Closer economic integration or treaty signing would result in the establishment of a transnational organization and, as a result, a loss of power in managing their individual national economies.

Thus, ASEAN norms (sovereignty, non-interference, and consensual decision-making) bolster authoritarianism while preserving nation-state identities. If member states are unable to reach an agreement on a common policy, these norms provide an exit strategy. Countries face challenges in collective economic coordination as they pursue their own economic agendas, eventually leading to competition rather than complementarity. The formation of AFTA and the signing of various economic treaties reflected an acceptance of external market forces such as globalization rather than the need for strong internal market integration. The implementation of those agreements continues to be a challenge.

2.4 Supranational Organization Weakness Looking at EU

While it is undeniable that the EU's performance is largely outstanding and incompatible when compared to other regional institutions, the EU is not immune to criticism regarding its functioning and responses to crises. In recent years, a plethora of regional studies literature is dedicated for critiquing the EU *vis-à-vis* national politics in the EU member states, at the regional, and international fronts respectively.²⁹

Some critics, particularly those with nationalist tendencies, object to adhering to internationally agreed-upon rules, claiming that doing so amounts to ceding sovereignty to member states and their people. Governments dislike ceding power. They must answer to a higher group after joining a supranational organization. Every governmental process is slowed by the addition of a new layer of bureaucracy and decision-making. It is argued that the EU has added layers of bureaucracy while further removing decision-making power from local communities³⁰.

The European Commission's election is not transparent. The Commission has the authority to wield significant influence and power, but the average person has no say in who represents them in this capacity or the quality of that representation. This makes individual control difficult for member nations because each nation is required to follow EU laws in order to remain a member of the Union. It is also extremely difficult to pass legislation in the European Union because it must be done unanimously. For example, the Belgian region of Wallonia nearly scuttled a Canada-EU trade agreement. And funding for any of these groups will always be a source of contention.

It is difficult to predict whether a particular organization will be beneficial or damaging in the long term, but in the short term, a country can accomplish what it needs far faster without the added red tape. As a result, there is a tradeoff between being a very commanding member of an organization and having things be more inefficient and take longer. As countries debate the

²⁹ Bakare Najimdeen, "EU in Transition or a Failed Project?," *Policy Perspectives* 11, no. 2 (2014): 71, <https://doi.org/10.13169/polipers.11.2.0071>.

³⁰ Tejvan Pettinger, "Disadvantages of EU Membership," *Economics*. Help, 2019.

advantages of supranational organizations around the world, it will be vital to examine what we stand to gain by remaining a member and what opportunities may await us if we go it alone.

The European Union has expanded substantially in the seven decades since the establishment of the European Coal and Steel Community, but not without expense. A populist backlash against economic instability and globalization pushed the British people to take the extraordinary step of voting to leave the EU in 2016. Why is the UK quitting the EU if supranational organizations can profit from a shared set of regulations, improved commerce, and increased protection?

The European Union has expanded substantially in the seven decades since the establishment of the European Coal and Steel Community, but not without expense. A populist backlash against economic instability and globalization pushed the British people to take the extraordinary step of voting to leave the EU in 2016. Why is the UK quitting the EU if supranational organizations can profit from a shared set of regulations, improved commerce, and increased protection? The issue usually boils down to who has the most power and who must make concessions.^[11] The recent Brexit vote demonstrates that, even when Europe appears to be united in a Union, old divisions remain.

There are several reasons why Britain chose Brexit. For starters, citizens thought that the country's membership in the EU curtailed its sovereignty. Second, EU membership hampered the private sector's ability to operate efficiently due to a plethora of EU laws that member countries were required to accept. Third, the EU's immigration laws have had a significant impact on Britain's immigration problem. Britain wants to limit the flow of immigration, but its EU membership prevents it from enacting new legislation.³¹

Brexit has clearly opened a new chapter of suspicion of supranational institutions such as the EU, and it has the potential to cause internal instability inside Europe and the EU grouping. Although the EU has shown that it can give economic benefits, there is still a sense of nationalism that serves as the foundation for what has been built. When it comes down to it, Brexit indicates that the current state of harmony is all for show.³²

3. DISCUSSIONS

ASEAN was established during the Cold War to act as a deterrent to the United States and the former Soviet Union. Since then, ASEAN's focus has shifted to economic, political, social, and cultural cooperation. The long-promised ASEAN Economic Community (AEC) entered into force in late 2015, bringing with it the ideal of a globally competitive single market and production base - but not of a political or monetary union, as the European Union (EU) has aspired to - across its ten members.

After the EU, ASEAN has been described as the world's second most successful regional organization. However, there is a mistaken tendency to invoke the European effort as a feasible answer, a source of inspiration, or even a blueprint for ASEAN. The two entities are fundamentally different: regionalism in each continent has followed patterns that reflect their respective historical and cultural contexts; thus, evaluations of ASEAN's success must be set in the context of its own stated ambitions, rather than being measured against what the EU has accomplished.³³

EU integration reflects a pan-Europeanist political ideology that underpins the organization's character as a supranational institution with shared sovereignty among its members. ASEAN, on the other hand, is an intergovernmental organization that adheres to the ideal of non-interference in member states' domestic affairs and strict safeguarding of national sovereignty. This is because the region's developments in the 1960s were turbulent, with disagreements between countries, internal subversion, secessionist movements, and fresh memories of their relatively recent colonial pasts.³⁴

The ASEAN's goals dictate the extent to which the EU may serve as a general template for ASEAN integration. In contrast to the EU, which is essentially a political effort with an inward focus, ASEAN's integration is primarily an economic one, with the AEC as its focal point. The EU's major components, such as monetary and customs unions, as well as a supranational regulatory agency, are currently out of the question.

4. CONCLUSION

³¹ Frega Ferdinand Wenas Inkirwang, "The End of a Supraregional Entity?," Strategic Review, 2017.

³² Louise Gaille, "13 Advantages and Disadvantages of the European Union," 2017, n.d.

³³ Asia House, "Re-Thinking ASEAN Integration: European Precedents and Southeast Asian Futures," n.d., 5.

³⁴ "Opening Statement By H.E. Professor S.Jayakumar Minister for Foreign Affairs of Singapore," 2012.


Identification of common values and principles within a regional bloc aids in the definition of a region's image of itself and promotes a greater feeling of regional identity among its members. Any established organization cannot urge its members to unify or answer for the actions of the region as a whole unless shared values and principles are openly embraced.

In the end, ASEAN's integration effort will have to move at its own pace and be judged against its own goals, which are diametrically opposed to those of the EU. While ASEAN has achieved tremendous success considering its humble origins, the time has come to examine its future possibilities even more thoroughly. Ultimately, ASEAN's inter-governmental rather than supranational decision-making, economic diversity, and large development disparities among countries impede integration.

Before being implemented at the national level, regional pledges are inevitably diluted down to the lowest common denominator. Because each member state faces unique domestic issues, the manner in which this is carried out varies as well. The lack of an effective-competent ASEAN Secretariat to ensure compliance and execution contributes to the slow pace of integration. It remains to be seen if ASEAN will be able to modernize itself internally in its effort to develop a more tightly knit community as calls for a review of its consensus model and structure rise.

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