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EUROPEAN INTEGRATION AND EAST ASIAN REGIONALISM:
COMPARISON BETWEEN EU AND ASEAN

Masters Thesis

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Declaration

“I hereby declare that this submission is my own work and that, to the best of my knowledge and belief. It contains nothing which is the outcome of work done in collaboration with others, except as specified in the text and where due acknowledgement has been made.”

Signature:

A handwritten signature in cursive script, appearing to read 'Lips'.

Date:

22 May 2006.

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Abstract

Globalization, as usual, accompanies the development of regionalization after the Cold War. The real content of regionalization is composed of regional integration. In other words, to understand the transformation of international communities, and relationship under globalization must refer to the regional integration. At present, the two most famous areas of integration belong to EU and ASEAN, even though the approach of integration differs from each other. However, the prominent cases of EU and ASEAN integration are always related to the discussion or comparison of other areas, which could borrow or follow their models of seemingly successful integration. Furthermore, the backgrounds of integration in EU and ASEAN are diverse, for instance, on history, politics, economy and cultures and on the other hand, the integration theory applied to EU is often different from ASEAN. Thus although drawing the EU experiences for the ASEAN is necessary, East Asian further integration indicates the different regions produce different logics of integration.

KEY WORDS: Regionalism, Integration Theory, EU, ASEAN, East Asian Regionalism

Contents

<i>Acknowledgements</i>	I
<i>Abstract</i>	II
<i>List of Figures and Tables</i>	VII
<i>List of Acronyms</i>	VIII
<i>List of Appendices</i>	XI

1	Introduction	1
1.1	Background of the Study	1
1.2	Structure of the Study	5
1.3	The Scope and Limitations of Study	5
2	Literature Appraisal	7
2.1	The Conceptualization of Integration	7
2.1.1	Economic Integration	9
2.1.1.1	Preferential Trading Area	10
2.1.1.2	Free Trade Area	10
2.1.1.3	Custom Union	11
2.1.1.4	Common Market	11
2.1.1.5	Economic Union	12
2.1.1.6	Total Economic Integration	12

2.1.2	Political Integration	14
2.1.2.1	Commonwealth	15
2.1.2.2	Confederation	15
2.1.2.3	Federation	16
2.1.3	Security Community	17
2.2	Integration Theory	17
2.2.1	Functionalism	18
2.2.2	Neo-Functionism	20
2.2.3	Federalism	22
2.2.4	Supranationalism	23
2.2.5	Intergovernmentalism	24
2.2.6	Transactionalism	25
2.2.7	Neo-Institutionalism	26
2.2.7	Business Networks	27
2.3	Regional Integration and Identity	30
2.3.1	National Identity	30
2.3.2	European Identity	32
2.3.3	East Asian and Southeast Asian Identity	35
3	A Comparison of European and Asian Integration and Its Relations	38
3.1	The Background of European and Asian Integration	38
3.1.1	Historical Factors	38

3.1.2	Political Factors	42
3.1.3	Economic Factors	45
3.1.4	Cultural Factors	48
3.2	The Basic Principles and Integration Process of EU and ASEAN	51
3.2.1	Basic Principles and Integration Process of EU and ASEAN	51
3.2.2	Integration Process	53
3.2.3	The Structure of Institutions and Powers	60
3.3	The Challenge of Integration	63
3.3.1	Boundary of Enlargements	64
3.3.2	Limitation of Sovereignty	67
3.4	The Relations between EU and ASEAN	68
3.4.1	Political Aspect	69
3.4.2	Economic Aspect	70
4	The Experiences of EU Integration, ASEAN and East Asian Regionalism	73
4.1	EU Lessons for East Asian Regionalism	73
4.1.1	The Lessons from EU Constitution	74
4.1.2	Model of EU's Economic and Monetary Union	77
4.2	ASEAN and External Relations	79
4.2.1	ASEAN + 3 (China, Japan, South Korea)	79
4.2.2	East Asian Summit (ASEAN + 3 + 3)	81

4.2.3	American Perspectives on East Asia Regionalism	83
4.3	The Rise of ASEAN?	84
4.3.1	Geopolitics and Conflicts of South East Sea	85
4.3.2	The Leadership of East Asia: China, Japan or ASEAN?	88
5	Conclusions	96
	<i>Reference</i>	98
	<i>Appendix</i>	109

List of figures, tables, and charts

Figure 2.1	There Dimensions of Regional Integration	9
Figure 2.2	The Forms of Regional Political Integration	15
Figure 3.1	Illustrative ASEAN Organization Structure	64
Figure 3.2	ASEAN Extra-Region Enlargement	68
Table 2.1	The Forms of Regional Economic Integration	13
Table 3.1	Development of European Integration	55
Table 3.2	Basic Legal Normative of ASEAN	58
Table 3.3	ASEAN Formal and Informal Summits	59

List of acronyms

ACITAR	Training and Research
AEEMTRC	ASEAN-EC Energy Management Training and Research Centre
AEMM	ASEAN—EU Ministerial Meeting
AFTA	Asian Free Trade Area
AMM	ASEAN Ministerial Meeting
APEC	Asian-Pacific Economic Cooperation
ARF	ASEAN Regional Forum
APRIS	ASEAN-EC Project on Regional Integration Support
ART	ASEAN Regional Forum
ASA	Association of South-East Asia
ASEAN	The Association of South East Asian Nations
ASEMM	The Asia—EU Ministerial Meeting
ATPA	Andean Trade Preference Act
CACM	Central American Common Market
CARICOM	Caribbean Community
CBERA	Caribbean Basin Economic Recovery Act
CEE	Central and East European
CIS	Commonwealth of Independent
EAEC	East Asia Economic Community
EAS	East Asian Summit

EAVG	East Asia Vision Group
EC	European Community
ECJ	European Court of Justice
ECSC	European Coal and Steel Community
EEC	European Economic Community
EFTA	European Free Trade Area
EMU	Economic and Monetary Union
EP	European Parliament
EU	European Union
Euratom	European Atomic Energy Community
FDI	Foreign Direct Investment
JCC	Joint Cooperation Committee
JMM	Joint Ministerial Meeting
MERCOSUR	Mercado Común del Conon Sur
NAFTA	North American Free Trade Agreement
NATO	North Atlantic Treaty Organization
NICs	New Industrial Countries
OEEC	Organization of European Economic Cooperation
PMC	Post Ministerial Conference
SACM	South African Common Market
SEATO	South-East Asia Treaty Organization
SEOM	Senior Economic Officials Meeting

SOM	Senior Officials Meeting
TAC	Treaty of Amity and Cooperation
TDA 2000	Trade and Development Act of 2000
WTO	World Trade Organisation
ZOPFAN	Declaration on the Zone of Peace, Freedom and Neutrality

List of Appendices

Appendix 1. Ethnic Groups, Religions and Languages in ASEAN member states	110
Appendix 2. Ethnic Groups, Religions and Languages in EU member states	112
Appendix 3. Economic Indicators of ASEAN countries	117
Appendix 4. Economic Indicators of ASEAN countries	118
Appendix 5. Economic Indicators of EU 25 member states	119

1. Introduction

1.1 Background of the Study

Rising regionalism is a global phenomenon because countries big and small alike have used this to rapid to global challenges and developments. They integrate because they do not want to lose out in the global competition for export markets and foreign direct investments. And because of the dynamics in multilateral trade negotiations, small nations resort to regionalism to enhance bargaining leverage and to gain some degree of international political influence (Ahmad, 2003). Therefore, the global political economy is not only in the process of becoming globalized, but also becoming regionalized. The EU's Single Market is a reality. North Atlantic Free Trade Area (NAFTA) has been implemented and ASEAN is heading towards a free trade area. Thus there is little doubt that we are living in an era when the global political economy is undergoing a transformation process of great importance.

Regarding the recent East Asian Summit (EAS) and the Association of South East Asian Nations (ASEAN) Summit in Kuala Lumpur (Adbullah, 2005), two issues are concerned: one is ASEAN to speed up the integration to promote community building that is consistent with the realization of the ASEAN community to establish the Free Trade Area five year early by 2015 and common external tariffs by 2020, which means that ASEAN would be a customs union by that date. The other one is the members of East Asian Summit, ASEAN+3+3 (ASEAN as leader plus China, Japan, South Korea, Indian, Austrian, and New Zealand). These events remind us of the path towards global and

regional development and integration, as Downer (2005) indicated that the ASEAN+3+3 is a step towards European-style integration. The East Asian integration has been stimulated by economic globalization, and the establishment and expansion of regional organizations in other areas around the world such as the European Union, the North American Free Trade Agreement (NAFTA), and the Mercado Común del Conon Sur (MERCOSUR).

In Asia, ASEAN integration is the most advanced as the same as EU in Europe. The integration in ASEAN is part of a historical process that has deep implications for the whole international community that is becoming increasingly clear that the nature and success of regional integration will help define the shape of the world in the twenty-first century (de Souza, 1997). Since the European Coal and Steel Community was established in 1951 and accelerated by the establishment of the European Union following the signing of the Maastricht Treaty in 1992, Europe represents the most tightly integrated regional entity in the world (Nugent, 1995). Stemming from both economic, and common currency, society, diplomacy, and security concerns, the EU is growing, although not always smoothly, into a community of industrialized nations with very formal institutions (Choi, 2005). ASEAN, which was established in 1967 with the aim of promoting regional cooperation in the fields of economy, society, and politics, is a group of newly industrializing countries, bringing together Singapore, Thailand, Malaysia, Indonesia, Brunei Darussalam, the Philippines, Viet Nam, Cambodia, Myanmar, and Lao. However, ASEAN institutions remain less formal than European institutions, which are described as “a community under construction” (Beng, 1997).

EU has been a model for the regional integration. Comparing with Europe, however, Southeast Asian in many respects contains greater diversity. Europe is creating a community based on shared religions, historical, and cultural foundations with Christianity and Greco-Roman civilizations as the cornerstones. Southeast Asia is incomparably more diverse, historically and culturally (Takio, 2005). Furthermore, when European integration began in the 1950s, Western Europe already shared political and economic ideas, and they had also attained roughly similar levels of economic development, whereas Southeast Asia did not have the same kind of commonality, the different levels of income, living standards, and governments – making the task of regional economic integration very challenging (Kuroda, 2005).

Meanwhile, China and Japan, the two economic giants exist in the East Asian region, and the ASEAN economies are too small for Asian Free Trade Area (AFTA) to matter, so it is almost impossible to change the world trade map. In East Asian Summit, it proposed the East Asia Economic Community (EAEC), which refers to the European Economic Community (EEC). However, there is a big debate on the economic integration in East Asia; which type of EAEC should be granted, China regionalism-FTA, Japan regionalism-FTA or ASEAN regionalism-FTA as economic leader in EAEC (Baldwin, 2003). Therefore, looking at the lessons contained in the experiences of European integration, not only regarding its successes and achievement, but also regarding its shortcomings and difficulties makes a clear-eyed analysis of the current conditions in East Asia and Southeast Asia, with a view to formulating the most appropriate concepts

and methods for integration (Takio, 2005).

Economics in East Asia have joined the bandwagon of regional trading arrangements after having experienced a dramatic change in the regional economic landscape over the last few years (Ahmad, 2003). In 1997, the financial and economic crisis devastated most of the East Asian economies and caused some of them to fall into serious recession. The Crisis was to be East Asia wake-up call and it catalyzed efforts towards greater integration which was essential to make the region more resilient and less vulnerable to similar attacks in the future. Thus, the phenomenon of new regionalism was emergent in Southeast Asian after the currency and economic crisis. Whereas EU's lessons, as a regional integration model, can be drawn for the East Asian regionalism intra-Asian integration and intra-ASEAN integration, and whether ASEAN has largely been an inclusion body does manage to retain its character to achieve its goal of becoming the Asian version of European Economic Community .

The purposes of this research are as followings:

- (1) To examine the process of regional integration between EU and ASEAN,
- (2) To investigate the factors that trigger, facilitate, or hamper the process of regional integration: to compare EU and ASEAN, and to review its relationship.
- (3) To discuss the experience of EU integration for the ASEAN: achievements and shortcomings.
- (4) To view the reaction of peripheral countries toward ASEAN integration: East Asian and Asian Pacific.

1.2 Structure of the Study

There are five Chapters in this research; each of them processes a stage of the research in order to address the original research question.

(1) Chapter one is an introduction to the research.

(2) Chapter two provides the literature review to address the preliminary themes, definition of economic integration, political integration and security integration, and then to review the integration theory and regional identity.

(3) Chapter three considers the model of EU integration, and compares EU with ASEAN's integration process, and then discusses what the challenges and opportunities both in EU and ASEAN are.

(4) Chapter four presents the experiences of EU integration, and the ASEAN's difficulties

(5) Chapter five concludes the research, and states the author's closing argument in relation to the result of the literature appraisal and content analysis, as well as recommendations for ASEAN's integration process and further research. .

1.3 Scope and Limitations of the Study

The paper will focus strictly upon the collation and analysis of the opinions of those involved within the European integration and Southeast Asian integration in the East Asian regionalism respectively. However the author notes different regions produce different logics of integration, as a result of varying historical, political, economic and cultural patterns, which have an impact on the difference between the two regional organizations. Therefore, institution-building in the Asia-Pacific region, rather than following the pattern established in Europe and North America, is instead "emerging

from unique historical circumstances and will likely evolves in its own particular way”
(Evans, 1994).

Nevertheless, this paper focuses on the comparison of EU and ASEAN regional integration so that it less regards comparing the process on each member-state. On the other hand, Regional integration is a dynamic process, thus this paper has made great effort to ingather the latest integration issues and cooperation strategies. So far, the data both on EU and ASEAN integration process were before May, 2006.

2. Literature Appraisal

The following section of the paper commences with a literature appraisal. Emphasis is given to the definition and evaluation of the conceptualization of regional integration, accompanied by distinguishing the conceptions, and presenting the types of regional integration. Part two elucidates the integration theory, including forms and characteristics. In the closing stages of the chapter is interpreting the feature of regional identity in Europe, East and Southeast Asian.

2.1 The Conceptualization of Regional Integration

It is important to distinguish regional cooperation from regional integration. Regional cooperation refers to policy measures jointly undertaken by a group of countries typically located within a geographic area in order to achieve a level of welfare that is higher than what is possible when being compared to pursuing such a goal unilaterally (Lamberte, 2005). Some regional initiatives are intended to facilitate or to enhance economic integration, such as North Atlantic Free Trade Area (NAFTA), while others eventually pursue political integration such as European Union (EU), or security integration, such as North Atlantic Treaty Organization (NATO).

Regional integration, on the other hand, is *de facto* integration of economic or political entities within a geographic region. It may be market-driven integration that is no explicit agreement or coordinated action among countries within a region to integrate their economies, or policy-induced integration which results from regional cooperation

(Lamberte, 2005). More specifically, regional integration is concerned with the discriminatory removal of all trade impediments between two or more participating nations and with the establishment of certain elements of cooperation and coordination between them (El-Agraa, 1999:1).

It is also important to distinguish regionalization from regionalism. Regionalization is market-driven integration, which is spurred by unilateral reforms in individual economies within a particular region (Lamberte, 2005). Regionalism refers to formal economic cooperation and economic arrangements of a group of countries aimed at facilitating or enhancing regional integration (Lahiri, 2001).

However, there is a new wave of regionalism between the end of 1980s and 1990s, especially after the East Asia financial crisis in 1997. Some countries, such like the Asian-Pacific Economic Cooperation (APEC) and Association of Southeast Asian Nations (ASEAN)¹, are aware of the pressure of globalization, so that they adjust the strategy of development to liberalize trade and investment to enhance their export competition (Lamberte, 2005). The characteristic of new regionalism for small countries is to get trade advantages through the unification with the neighbouring large countries (Lahiri, 2001), for instance, ASEAN plus (big) three.

The regional integration relating to the process leads to the formation of a political and economic whole and security community (Chamley, 1977) (see figure 2.1). Today, even

¹The member-states of ASEAN are ten countries in Southeast Asian: Brunei, Cambodia, Indonesia, Lao, Malaysia, Myanmar (Burma), Philippines, Singapore, Thailand, Vietnam Thailand

though globalization is processing, almost all countries are still participating the construction of regional integration, through which they negotiate with potential partners and then enter into a regional trade agreement, or even establish supranational institutions in regional organization, and build security alliance upon regional defence.

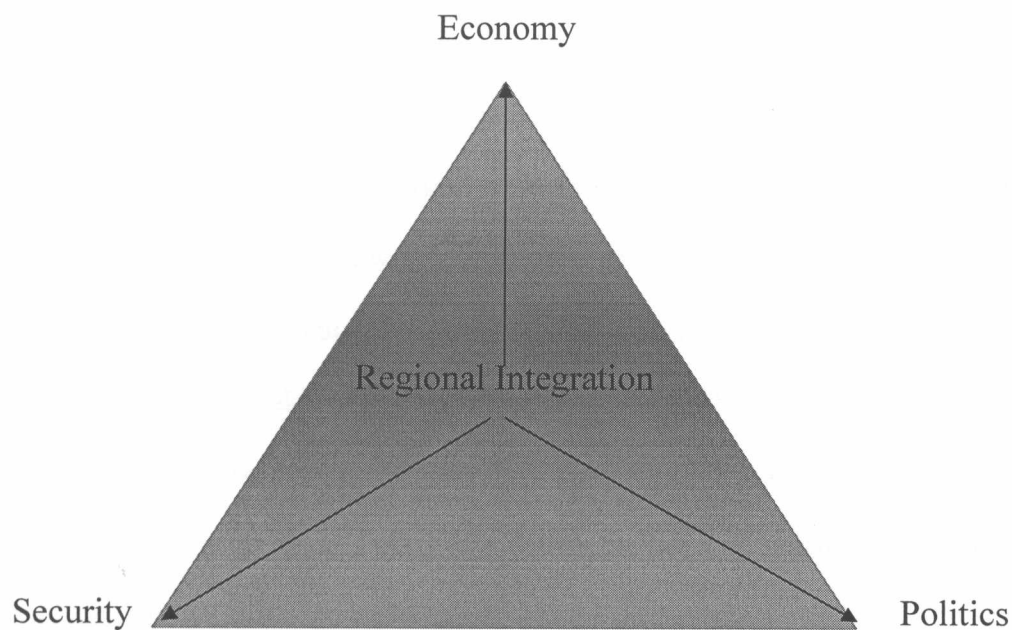


Figure 2.1 Three Dimensions of Regional Integration (Author, 2006)

2.1.1 Economic Integration

Economic integration is defined as a process and a state of affairs; regarded as a process, it encompasses measures designed to abolish discrimination between economic units belonging to different national states, and while viewed as a state of affairs, it can be represented by the absence of various forms of discrimination between national economics (Balassa, 1965). According to the definition here, economic integration can take several forms to represent various degrees of integration. Balassa (1965) itemed five

forms of it: free trade area, customs union, common market, and economic union, total economic integration; Lamberte (2005) categorized economic integration as preferential trading area, free trade area, customs union, common market, and economic union. The following discussion is to adopt Lamberte's categorization.

2.1.1.1 Preferential Trading Area

Preferential Trading Area is a basic economic harmony upon the culture and geography closely. Trading partners grant partial preferential tariff reductions to each other or unilateral reductions; it is the lowest trade barrier among members (Lamberte, 2005). In other words, two or more countries reduce tariffs each other on some import products, such like the Preferential Trading Agreement among ASEAN plus three², Caribbean Basin Economic Recovery Act (CBERA), Andean Trade Preference Act (ATPA), and Trade and Development Act of 2000 (TDA 2000), the latter of which is the United States to grant unilaterally Caribbean and Andean with the preferential tariff.

2.1.1.2 Free Trade Area

Free Trade Area removes the import tariffs completely among the members. In a free trade area, import tariffs (and quantitative restrictions) on each other's products are removed, but the member countries retain their own systems of tariff duties on products from non-member countries (Cuyvers, 2002:25-26). However, there are still no common tariffs and trading institutions in free trade area. The instances are European Free Trade Area (EFTA) in 1960s, Latin American Free Trade Area in 1970s, and the 1990s' NAFTA,

² ASEAN plus three is ASEAN ten countries plus China, Japan, South Korea.

which the United States and Mexico levy the same tariffs in their mutual market while they tax different tariffs from external trade.

2.1.1.3 Custom Union

The third level of economic integration is custom union. Besides the suppression of discrimination in the field of commodity movements within the union, the equalization of tariffs pervades the trade with non-member countries (Balassa, 1965: 1-3). In addition, the group acts as one body in all matters relating to international trade agreements with non-members (Cuyvers, 2002). Those examples are the Caribbean Community (CARICOM), Mercado Comun Del Sur (MERCOSUR), as well as some Custom Unions in the past: Moldovian-Wallachian Custom Union, Zollverein Custom Union, Bavaria-Wurttemberg Custom Union.

2.1.1.4 Common Market

A higher form of economic integration is attained in a common market, where not only trade restrictions but also restrictions on factors movement (goods, labour, capital, service) are abolished (Balassa, 1965). It means Common Market goes beyond a custom union by allowing free movements of factors of production (Lamberte, 2005: 5). In the process of European integration, European Common Market, which was formed after the Treaty of Rome in 1957, is the former shape of EU. In addition to European Common market, Central American Common Market (CACM) and South African Common Market (SACM) are other cases.

2.1.1.5 Economic Union

Economic Union is distinct from Common Market, the former of which combines the abolishment of restrictions on commodity and factor movements and harmonizes national policies on economy, which could remove discrimination that was due to disparities in these policies (Balassa, 1965). Meanwhile, the supranational mechanism is being established. The former European Community (EC) is such a good case.

2.1.1.6 Total economic integration

The highest of regional economic integration is the total economic integration. It presupposes the unification of monetary, fiscal, social, and countercyclical policies and requires the setting-up of a supra-national authority whose decisions bind the member states (Balassa, 1965). In 1999, the integration of EU is deepened by the circulation of Euro in member states, which is a successful case for the economic complete integration.

Table 2.1 presents the main characteristics of economic integration in various forms. At present, many countries eagerly dedicate themselves to economic integration, for it is a necessary issue of national development on economy, and no countries can escape from the effect of economic globalization. Table 2.1 is a reference to a check-up of process on economic integration.

Index	Lower trading barriers among members	All trade barriers in goods removed among members	Free trade among members and adoption of common external trade policies	Customs Union status plus free movement of labour and capital	Common market status plus some degree of harmonization of national economic policies	Unification of monetary, fiscal, social, countercyclical policies plus a supranational authority
Forms						
Preferential Trading Area	●					
Free Trade Area	●	●				
Customs Union	●	●	●			
Common Market	●	●	●	●		
Economic Union	●	●	●	●	●	
Total Economic Integration	●	●	●	●	●	●

Table 2.1. The Forms of Regional Economic Integration (Author, 2006)

2.1.2 Political Integration

Political Integration is that nations join with others in a trade or political bloc. They give up some national sovereignty, and create supranational institutions which involves the establishment of common legal rules and a common legal system for the citizens of different states of a region, so they are toward merging into a supra nation, or even attaining a world government (global Policy, 2006; Allied Consultants, 1996). It involves the strengthening of a political system, in particular the scope and capacity of its decision-making process (Allied Consultants, 1996).

There are weaker and deeper forms of political integration. As already indicated, the weaker forms of international political integration refer to the cooperation between states and formations of state-based regimes, while the deeper forms of political integration refer to the constitution of new political entities, which have a certain degree of independence in regard to the individual states (Allied Consultants, 1996).

Figure 2.2 illustrates the regional political integration from separation to unification.

However, Muth (1970) takes the regional economic integration as a path toward the building of political community. Thus some regional integration starts economic integration, such as EU, which started European Coal and Steel Community (ECSC), and then is approaching the aim of political integration. The discussion regarding various forms of political integration follows below.

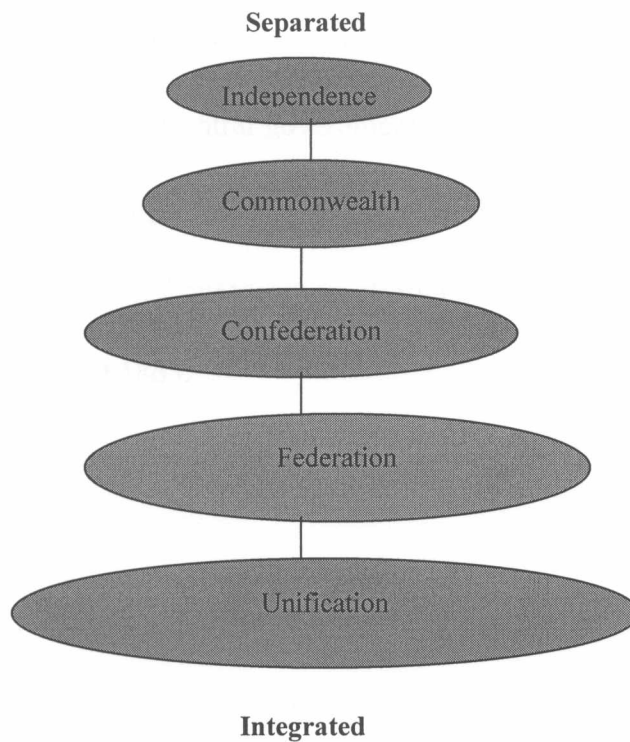


Figure 2.2. The Forms of Regional Political Integration (Author, 2006)

2.1.2.1 Commonwealth

Commonwealth is those countries which have important similarities in institutions, values, cultures, and to a large extent a shared language. They share common heritage, and compose a certain loosely political unit (Shreuder, 2002: 653). No central government exists in the Commonwealth to command those members, which own their sovereignty and supreme authority, for example, British Commonwealth, Commonwealth of Independent States (CIS).

2.1.2.2 Confederation

Confederation is an association of sovereign states, and usually it is created by treaty

first and then often adopts a common constitution. Confederation tends to be established for dealing with critical issues, such as defence, foreign affairs, foreign trade, and a common currency. Central government is required to provide support for all members (en.wikipedia.org, 2006), for instance, the Confederation of North Teutonic in previous Germany, Confederation of Switzerland, and Confederate States of America during 1861 and 1865.

2.1.2.3 Federation

A Federation is a state which comprises of a number of self-governing regions united by a central government, but the component states play the self-governing status, which is constitutionally entrenched and may not be altered by a unilateral decision of the central government. Thus a number of political subdivisions have a significant degree of political autonomy (Bodenstein, et, al., 2001). Federation is also a merely loose alliance of independent states, such like the United States, Switzerland, Canada and Australia.

Generally speaking, Commonwealth is the loosest one in political integration. As usual, the formulation of political integration results from historical causes and due to the historical evolution, the relevant states or political units made up their decisions to build up the most suitable political system. At present, EU is still lack of constitution and central government, so it is still hard to classify EU to any forms of political integration, on which it is still an argument of EU's future.

2.1.3 Security Community

Security Community combines the two separated concepts of security and community. Security is the presence of a durable peace among states, among which reflect a lasting prior absence of war. Community is the presence of a cooperative identity among these states, including a commitment to abstain from using force against each other (Emmerson, 2005). Thus, Security Community is defined as a group that has “become integrated”, where integration is taken as the attainment of a sense of community, which derives from common interests, and practices by formal or informal institutions, or sufficiently strong and widespread desires to assure peaceful change among members of a group with “reasonable” certainty over a “long period of time” (Deutsch, Acharya, 2001; Emmerson, 2005). For instance, the initial purpose of ASEAN integration was to emphasize the formation of regional Security Community.

2.2 Integration Theory

During the 1950s, the quite extraordinary processes of international cooperation and the subsequent institutionalization manifested initially in the European Coal and Steel Community (ESCS) and later in the European Economic Community (EEC) and Euratom (Rosamond, 2000:10). Many of sociologists, such as David Mitrany, Haas, Karl Deutsch, Nye believed that the realism was insufficient to interpret the European integration phenomenon. Ernst Haas argued that “giant step on the road toward an integrated theory of regional integration...would be taken if we could clarify the matter of what we propose to explain and predict” (Haas, 1971:26).

The wide variation of integration is a striking characteristic. Deutsch termed that the integration is the creation of security communities (or zones of peace) among states in a region (Deutsch et al., 1957). William Wallace has defined it as “the creation and maintenance of intense and diversified patterns of interaction among previously autonomous units” (Wallace, 1990:9). Haas defined integration as “the voluntary creation of larger political units involving the self conscious eschewal of force in relations between participating institutions” (Haas, 1971:4). Reginald Harrison, like Haas, pointed to the importance of central institutions: “the integration process may be defined as the attainment with an area of the bonds of political community, of central institutions with binding decision-making powers and methods of control determining the allocation of values at the regional level and also of adequate consensus-formation mechanism” (Harrison, 1974:14).

Integration therefore is a form of collective action among countries in order to obtain a certain goal. This goal can be as grand as political unification (in the case of the EU) or a free trade area, as found in the North American Free Trade Association (NAFTA) and Association of Southeast Asian Nations (ASEAN). More simply, it is “a series of voluntary decisions by previously sovereign states to remove barriers to the mutual exchange of goods, services, capital or persons” (Smith, 1993:4). Each of the following schools of thought attempts to explain the variety of integration.

2.2.1 Functionalism

Functionalism is an approach theory. It is a central component of the study of international and non-governmental organizations that the characteristic of ideology is “enlightened self-interest” under the influence of economic growth, for its assumptions form the basic for the most sustained challenge to state-centric “power politics” view of world affairs (Taylor and Groom, 1975:1). David Mitrany argued that in realism, the “balance of power” is insufficiency to explain the nation-states that abandon parts of sovereignty toward the regional integration (Mitrany 1966: 35). He further stated the government could not maximize human welfare, while the transnational institutions would be better and more efficient providers of welfare than national governments (Mitrany, 1933: 101).

Functionalists are interested in eliminating the state-system in the process of building a welfare-oriented world society whilst acknowledging that along with international organizations, nation states remain basic units in the international society (Viad, 2000:5). Functionalism has two points: expansion and changing loyalty. A successful collaboration in one particular technical field or functional area would lead to further collaboration in other related fields. Governments recognize the common benefits to be gained by such cooperative endeavours and allow for their further expansion (Viotti and Kauppi, 1993: 241). On the other hand, the efficient performances of tasks by inter or transnational institutions would result in a process of popular loyalty transference away from the nation-state, which is beneficial of international

integration (Rosamond, 2000:33).

Functionalism states the best way to maximize human welfare is through international organization and cooperation rather than nation states. A successful cooperation can accelerate another functional area, meanwhile loyalty transfers away from the nation-state by the efficient performance of tasks. However, criticisms of functionalism fall into two main categories. First, functionalism is blinded by its own rationality, which is rationality premised upon the primacy of human needs. Secondly, functionalism has a poor record of prediction (Haas, 1975; Thompson, 1980:204).

2.2.2 Neo-functionalism

Integration results from the need and maximization of human welfare, and shifting specific functions away from exclusively nation-state control toward supranational institutions states by functionalists (Mitrany, 1975). While neo-functionalists argue that Functionalism is idealization while lacks empirical support; however, neo-functionalism consents the causal mechanism for this transfer is in the increasing complexity of governmental systems requiring a demand for highly trained specialists at the national level who would tend to solve problems at the international level (Haas, 1958). But Haas separated Mitrany's politics of high-level from politics of welfare and the key issues were not those of traditional high politics, but matters of the satisfaction of welfare and material needs (Haas, 1963:69). The main arguments of neo-functionalism are emphasis on the logic of the *spillover* effect and the transfer of

domestic allegiances and technocratic automaticity.

Spillover effect is a significant concept in neo-functionalism. Lindberg (1963:10) defined, as “a situation in which a given action, related to a specific goal, creates a situation in which the original goal can be assured only by taking further actions, which in turn create a further condition and a need for more action and so forth”. Haas (1964) applied the concept of “spill over” to explain the historical transition from European Coal and Steel Community (ECSC) to Economic and Monetary Union.

The mechanism of a transfer in domestic allegiances is an important assumption within neo-functionalism. This is of a pluralistic society within the relevant nation states (Haas, 1961). Loyalty is the attributes of political community, so that the establishment of sector-specific functional organizations would lead to a movement of mass allegiance away from established modes of authority as essential human needs came to be systematically and efficiently addressed by these new entities (Rosamond, 2000:66). Finally, technocratic automaticity describes the way in which, as integration hastens, the supranational institutions set up to oversee that integration process will themselves take the lead in sponsoring further integration as they become more powerful and more autonomous of the member states (Puchala, 1988:205).

The neo-functional idea of the withering away of a power-based states system was open to three sorts of criticism. The first one is alleged implausibility. The theory

lacks clear empirical support (Keohane and Hoffman, 1991). Nye (1965) argued that spillover was a limited explanatory tool, even in the West Europe case, and he states that it will be spillback in the integration process if the cooperation failed in one field. The second one is that neo-functionalism emphasizes on the interest community so that it neglects the actor of nation-states. The third one is that neo-functionalism lacks predictions of progress in the field of political integration (Hoffmann, 1964).

2.2.3 Federalism

Federalism is used to describe an ideology that construction a supranational institution above member states. And it most commonly describes political systems in which there is a division of authority between central and regional or state government (Taylor, 1993:90). Thus, Federalism achieves political integration as the final aim. Preston King (1982) identified three tendencies in the ideology of federalism: centralist, de-centralist and balanced, indicating that federalism calls for world government to end of the anarchism among international relations. Hence, federalism accommodates the constituent units of a union in the decision-making procedure of the central government by means of constitutional entrenchment (Burgess, 1986:19).

Thus, for federalists, the supranational state generates efficiencies of scale through a degree of centralization and upward devolution of policy competence (Rosamond, 2000:26). The federalism presents the two decisive advantages, because it disallows domination so that it prevents the capture of a system by any one group. Meanwhile,

the federated state becomes a stronger unit in the face of external threat (Rosamond, 2000:26).

Transactionalists criticized that the federalism does not regard sociological change as a sufficient condition for the attainment of integration (Rosamond, 2000:29). Secondly, comparing with other schools of thought, who build on the notion of taking “the state” as basic unit among international organizations, and the federalism concerns with politics directs attention to creation of state-like institutional order. Therefore federalist theory creates a dangerous distance between the governors and the governed, and danger follows from an external projection of federalist logic (Miller, 1994). Another problem of federalism is its conceptual elasticity, which means the potentially useful to a variety of political projects and is, hence, incredibly difficult to specify in academic terms (Rosamond, 2000:30).

2.2.4 Supranationalism

One of the major critiques of intergovernmentalism is to ignore or to underestimate the power of supranational institutions and transnational actors in the process of integration (Garrett and Tsebelis, 1996:269-299). The supranationalist puts emphasis on the decision-making in international organization, whose power is still held by member states, but they share this power with other actors, and decisions are made by majority votes. The arguments return the direction of research back to the neo-functional perspective (Stone et al., 1998:297-317). The role of the European

Parliament, the Commission and the institutionalization of qualified majority voting, the European Court of Justice, and various transnational actors participate in both the demand for and the supply of integration (Feng, et al., 2003).

2.2.5 Intergovernmentalism

Intergovernmentalism claims that domestic interests of nation-state bases result in stagnate of integration upon neo-functionalism's viewpoint. However, intergovernmentalism argues neo-functionalists emphasis on the "process" led to a certain neglect of the proper historical dynamics (Hoffmann, 1964:85). Hoffman argued neo-functionalism lack evidences to explain the de Gaulle phenomenon (empty chair) in 1960s. The governments were actually prepared to cooperate in the realm of economic integration (low politics) rather than political integration (high politics) because the states are the basic units in world politics (Hoffmann 1966: 865).

Intergovernmentalists criticized the limitation of "spillover" effect. Hansen (1969) argued that neo-functionalism could explain low politics, but it could not say anything of substance about high politics. Spillover was largely seen as a dynamic internal effect to the member-states and their societies and economics, but it might have had external effects that the external situation of member-states impacted upon the Community (Rosamond, 2000:80).

Furthermore, as for liberal intergovernmentalist, Moravcsik (1998:281) argues that

integration is due to the bargaining among the more powerful members of a regional group and based on the sources of the demand for integration in domestic politics. This argument continues the tradition that integration is a means for member countries to obtain domestic policy preferences through regional negotiation (Keohane, 1984).

2.2.6 Transactionalism

One of integration forms was brought forward by Karl Deutsch. Deutschian transactionalism claimed the informal transaction at the level of information, goods and people which build on the reliable among member states. It was purpose of security of communities rather than military or political integration (Adler et al., 1998:5-7). Thus, integration was defined as “the attainment, within territory, of ‘a sense of community’ and of institutions and practices strong enough and widespread enough to assure for a ‘long time’, dependable expectations of ‘peace change’ among its population by transactionalists (Deutsch et al., 1957:5).

The criticisms of transactionalist approaches are that Deutsch and his followers pose serious problems of measurement and operationalization (Rosamond, 2000:47). As well as Puchala (1981) pointed out, it was failure to understand the politics of motivation in the processes described by transactionalism which in turn becomes a problem of power. The problem is Deutschians were attacked for the apparently complacent assumption that increased communication would necessarily lead to cognitive change criticized by Pentland (1973:63).

2.2.7 Neo-Institutionalism

Neo-institutionalist approaches are built around the “institutions matter”, and they believe the ways in which institutional configurations have an impact upon political outcomes (Rosamond, 2000:113). Krasner defined the institution in the international arena as a set of explicit or implicit “principles, norms, rules, and decision-making procedures around which actors expectations converge in a given issue-area.” Thus, institutions offer “information-rich” venues where transparency prevails and where trust is high that act as intervening variables between actor preferences and policy outputs. Therefore, neo-institutionalism either emphasis upon political outcomes as the product of aggregated societal behaviour or political outputs as derivatives of the straightforward interplay of actors’ interests (Rosamond, 2000:114).

Neo-institutionalism has been subdivided two major schools: historical institutionalism and rational choice institutionalism. Historical institutionalism grew out of critiques of intergovernmentalist claim about member-state primacy, but it believes institutional factors account for differences in cross-national political outcomes (Pallack, 1996). Its two elements are: (a) Institutions could shape actor preferences by structuring incentives, redistributing power, and by influencing the cultural context (Thelen and Steinmo, 1992). (b) History is “path dependent”. Choices or events early in the process can force a path from which it becomes increasing difficult to deviate (Rosamond, 2000:117).

Rational choice institutionalism reflects the successful import of the axioms of microeconomics into political science. It regards preference formation as exogenous to the institutional venue, and then it assumes that actors will undertake the rational pursuit of self-interest. (Aspinwall and Schneider, 1998:21). For example, the institutional decision-making rules of the EU are such that the largest states can structure political outcomes (Rosamond, 2000). The historical and rational choice are compatibility which could be a perfectly possible to be a rational choice historical institutionalism argued by Rosamond (2000: 118). According to a framework worked by Pierson (1996), it's to understand the preferences of actors and the reasons behind their institutional choices as exogenous to the process of integration (Aspinwall and Schneider, 1998)

2.2.8 Business Networks

Theory of business networks in regional integration is defined as international business systems which is formed along ethnic and cultural lines, which are an important form of non-institutional economic cooperation, particularly in Asia (Ketzenstein, 1996:35). In another word, it is a kind of regional integration based on trade patterns, business operations and investments, sub-regional cooperation patterns, and informal personal contacts. Bressand and Nicolaidis (1990), Richardson (1995, 1996), and Peng (1997) analyse this form of integration more detail in their works.

Peng (1997:13) examines three forms of informal cooperation, in particular in Asia: 1)

production networks based on a multi-tier economic division of labour, which is cooperation along the lines of industrial production; 2) sub-regional economic zones which embody cooperation based on geographical proximity (as for example in ASEAN); 3) ethnic business networks representing cooperation along ethnic and cultural lines. However, Eliasse (2001) argued that all three were overlooked as important forms of regional cooperation, although in the absence of formal economic institutions, they were actually driving trade and investment within the region.

In conclusion, integration theory proposes to explain and to predict the phenomena of regional integration. Therefore, functionalism, neo-functionalism, federalism, supranationalism and neo-institutionalism are all emphasize the construction of supranational institutions above nation-states, which promote the efficiency of regional integration. Functionalism and neo-functionalism demonstrate regional integration which base on the functions, while the “spillover” appears on the process of integration, and leads to the transformation of loyalty among citizens, interest groups or other components of the states away from the nation-state and then weakens the function of nation-state.

Federalism aims to political integration, and proposes the constitutional settlement in the central government of supranational institution. Supranationalism describes the international organization as super-power rather than member states, whose decisions are made by majority of votes. Meanwhile neo-institutionalism put emphasis on

“institutions matter” that institutional configurations have an impact upon political outcomes, while outcomes are products of the interaction between actor preferences and institutional rules.

Intergovernmentalism and transactionalism affirm the nation-states are the main players in the real international relations, and Business networks also admit the nation-states play main roles in region. The power of supranational institution is endowed by member-states so that the member-states will undertake the pursuit of domestic interests. The nation-states abide by the principles of self-determination, which prefer the economic integration to political integration, and supranational institution is a place for negotiation or dialogue among the member-states to allay the economic crisis or disputes. Transactionlists claim that the security of communities is the purpose for the integration, which stems from the member states upon the reliability. However, Business networks emphasises on non-institutional and informal cooperation rather than formal institutional in region

Therefore, each theory school explains regional integration on their own perspectives. All theories involve the description of European Union’s integration, while the European Court of Justice (ECJ), European Commission, European Parliament (EP) are the scope of supranational institutions above member states, and Council of Ministers is taken as intergovernmental institution. Association of Southeast Asian Nations (ASEAN) is recognized as growth both in formal and particularly informal

policy networks or communities.

2.3 Regional Integration and Identity

In this section, the connection and interaction of regional integration and identity will be explored and the propositions are under construction as follows: regional integration promotes a greater regional identity, for instance, in EU it is European identity and in East Asia it might be Asian or East Asian or Southeast Asian identity. On the other hand, is it necessary for people to create a greater regional identity to lead to further regional integration? As a matter of fact, the conflicts of national identity and regional identity exist inside the nation-states. Diverse identities bring about different effects of regional integration. The argument here is that those who are for higher identities always agree with the speedy regional integration, while those who only argue for national identity might not be interested in vast integration, including economic and politic sphere.

2.3.1 National Identity

Identity is multidimensional concept that could be interpreted on individual (“I”) and collective (the so-called “we-identity”). Among collective identities, the national identity is most discussed, because it fulfils various functions, which involve the creation of solidarity among particular members of a community, and a strong sense of national identity always leads to the significance for the states to maintain legitimacy, peacefulness and efficiency. Thus it is, painstakingly, constructed by the

state and its agencies (such as governments), which aim at the monopolistic rights to draw the boundary between “us” and “them” (Bauman, 2004:22). National identity is defined on the grounds of a nation’s history, heritage and the prerequisite of a strong national identity, by which citizens have a sense of loyalty and belongingness to a particular nation (Brodský, 2001: 21).

At the time of globalization and regional integration, the concept of national identity and national states are facing new challenges and new transformation. Today, the nation is obviously and gradually losing an important part of its old functions, namely that of constitution a territorially bounded “national economies” which formed a building block in the large “world economy”, at least in the developed regions of a globe (Hobsbawm, 2004: 181).

At present, many countries integrate into one or more communities to promote regional competition through regional cooperation, so that it can provide people for the sense of belongingness to all of these communities. Indeed, in the Network Society (Castells, 1996) the sense of individual self is increasingly confronting the forces of globalization, because one would expect local identities as mechanisms of differentiation, while globalization seemingly assimilates all individual differences.

National identity plays a crucial role in the regional integration, generalizes the common sense of a particular community and judges individuals as a collective, but

the identification of supranation is identified by the member states, and here national identity is a component for supranational identity. How to judge the national identity and supranational identity is important for the regional integration process, because if member states deny the supranational identity, the integration will appear to be stagnated, whereas the integration will be promoted, if the member states sustain it. The further integration of economic region is related to identical solidarity; on theory, the effects of regional identity, which if it is more than national identity, easily create a more harmonious circumstance of economic or even political cooperation.

2.3.2 European Identity

Within the concept of “European identity”, the reference to Europe is quite ambiguous. The general concept of European identity is based upon geographical, linguistic, historical, cultural, economic and social criteria. It is crucial to search for European identity for the European Union in terms of inner integration, the accession of new member states and the definition of a common foreign policy.

European and national identities have been the subjects of treaties and other official EU-documents. The first significant step to strengthen European consciousness was taken in 1973. Nine members of the former European Community (EC) signed the Declaration of the European Identity. This declaration was very anodyne and not at all specific, so it could not shift the integration much further (Mašková, 2003:17). The further effort to develop the concept of European identity was the European

citizenship by the Maastricht Treaty, whose most visible manifestations to ordinary citizens are the homogenization of national passports across the EU and the elimination of most border controls between EU member states (Medrano, et al., 2001).

The attempts by the EU to increase the degree of identification within Europe among the population have generated controversy. The development of a European identity might refer to at least two different things: the development of a sense of belongingness to Europe or the development of a collective sense of what it means to be European (Medrano, et al., 2001: 754). Some scholars have argued that the national identities are fundamental for the European Identity so that nobody can abolish national identities, but has to recognize its own roots within their diversity, whereas others stress the idea that national identities set obstacles to the development of a European identity and support for some kind of "federal" Europe (Lesaar, 2001: 191-193, Medrano, et al., 2001:754).

On the other hand, the argument of European identity and national identity is also a crucial political issue in the process of EU enlargement (Brusis, 2001:187). Some people have argued that the territorial limits of Europe are vague, and the additional nation states increase the cultural plurality in EU; above all, it exists a cultural gap between Western European and Central and East European (CEE). Such a gap can be caused by different traditions and historical events in the distant past but also by

socialisation and experience in the opposing societal system (Fuchs, 2002: 20-21). Drulák (2001:13) pointed out that post-communist Central and East European (CEE) brought about the return of identity to European politics (political structure) and “return to Europe” (cultural level), so in the CEE countries the European identities are seen as being constructed in the discourses of the ten countries, and all of them regard themselves as Europeans (Drulák, 2001:14).

When it comes to European Identity, it refers to a value system originating from the common history, culture, religion and thought evolution. Nowadays, according to the prerequisites of joining EU, one is economic liberalization and the other one is political democratization. That ten new states entered EU in 2004, which is called ‘return to Europe’, signifies the identification of European value and prerequisites. However, up to present EU member states consent with the economic integration, but not entirely to agree with the political integration, which is testified more or less by the rejection of European constitution by France and Netherlands in 2005? European identity is still limited to the scope of economic integration, not to expand further to political sphere. Under the economic integration, European identity is co-existent and co-dependent with national identity; however, it is still an obstacle for some countries to transcend national identity into a European identity, which is to build up an EU federation some day. In the field of politic integration, national identity appears to confront European identity.

2.3.3 East and Southeast Asian identity

Asian image, comparing to Europe, is very fragmented due to history, culture, religion, ethics, language, and so on. As European identity plays such an important role on EU integration, whether or not Asian identity exists is still doubted, let alone its contribution to Asian integration. Geographically, different areas in Asia are diverse from each other. The image of West Asia is hardly connected with the East Asia. East Asia, which is called as 'Far East' by the westerners, comprises of Northeast Asia and Southeast Asia, the former of which includes China, Japan, Korea and Mongolia and the latter of which refers to ASEAN countries.

In East Asia, identity seems to be very elusive and it seems more complex than the case of Europe, because of its historical contradictory; there is not such a clear definition of East Asian identity. The nationalistic sentiment is very strong and it stands against the search for an East Asian identity (Lee, 2000:775). Chinese nationalism stems from both of western and Japanese invasion and their domination over some parts of the Chinese territory in 19th and early 20th century. The same situation was also ever occurred in Korea, where once was the colony of Japan. Thus, the historical contradictory and hatred block the formation of commonness on East Asian identity, even if it is a hindrance to create an East Asian Community.

Although it is lack of a regional identity in East Asia, there is still a collective social epistemology. The intellectual tradition of East Asia is known to have been very rich

in the areas of humanities and social and political thought. Neo-Confucianism which today is much lauded as the prime cultural source of the “East Asian miracle” by Western analysts and local scholars (Lee, 2000:770).

The identity in Southeast Asia seems more coherent than East Asia. However, the Southeast Asia is an “imagined” region, as Acharya (2003) demonstrated, and its physical, political, social and cultural diversity is too immense to qualify it as having a distinctive personality. Southeast Asia as a region is a product of the historian’s imagination, because of the geographic fact. The region seems as a cultural appendage of India and China, two very old civilisations in the neighbourhood which had powerfully influenced the assortment of mainland and maritime units (Acharya, 2003). Meanwhile, it also met with the profound impact of the western colonialism.

Regionalism in Southeast Asia has been made to serve the interest of nationalism. Wang Gungwu’s, distinction between “moderate” and “revolutionary” types of nationalism elegantly explains the strategic polarisation of Southeast Asian as a by-product of the region’s competing conceptions of nationalism. Thus, Acharya (2003) presents the cases on these countries: Indonesia, Vietnam and Burma, where were swept by revolutionary nationalisms, but it is proved the least amenable to regional cooperation and the pursuit of identity at the outset of the postcolonial era. While Burma drifted toward isolationism, Indonesia processed toward expansionism, and Communist Vietnam showed open contempt for ASEAN’s vision of regional

cooperation. Meanwhile, countries, such as Malaysia and Thailand, experienced a more moderate nationalism, and played an instrumental role in regional cooperation.

Furthermore, a notion of collective identity in Southeast Asian region is craved out of the manifest diversity and disjuncture among its national units. The identity is through an act of political engineering by a group of like-minded elites who bring forward the “one Southeast Asian”, or “ASEAN way” to agglomerate the regional countries (Acharya, 2003). At present, while the common sense on identity among the member states of ASEAN prevails, the Southeast Asian regional integration is promoted as well.

3. Comparison of European and Asian Integration and Their Relations

This Chapter, first of all, interprets the background of European and Asian integration from historical, political, economic and cultural factors and makes a comparison between the two areas. On the second part of this chapter, the integration process and development in EU and ASEAN will be compared. Otherwise, this chapter also involves the inter-regional cooperation, for example, the EU-ASEAN cooperation program and EU-Asian cooperation Organization.

3.1 The Background of European and Asian integration

In the course of an attempt to explain the disparities, this section investigates the main reasons behind regional integration and why different regions produce different logics of integration. In comparison with Europe, the Asian region as a whole is a much more heterogeneous region. Thus, it mainly focuses on the analysis of how the organizational structure and integration mechanisms differ between EU and ASEAN and it also involves an investigation of how these phenomena are linked to historical, political, economic and cultural patterns.

3.1.1 Historical Factors

The purpose of EU and ASEAN's fundament was different. The movements cherishing the idea of creating a federal Europe on the basis of supranational

institutions looked upon political integration, whereas the initial establishment of ASEAN was regional cooperation to guarantee regional security and to eliminate regional conflicts. However, all of their aims were to maintain the regional stability after Second World War.

Comparing with ASEAN, European integration started with economic cooperation, along a French-German axis, and within the purpose of avoiding war. On 9 May 1950, Robert Schuman, the then French Minister for Foreign Affairs, put forward a proposal on establishing European Coal and Steel Community (ECSC), that was prepared together with Jean Monnet, head of the planning department of the French government, meanwhile it was approved by Konrad Adenauer, the Prime Minister of Federal Republic of Germany (Thody, 1997:3). They set the objective of creating a European federation that relied the importance on an approach to the integration process from the aspect of economic cooperation, with the intention of preventing emergence of a renewed conflict between France and German and of paving the way toward security guarantee for French-German cooperation (Horváth, 2002:27).

On the other hand, the West European governments shared a same idea with the United States stemming directly from the East-West: a determination to preserve Western Europe from communism (Nugent, 1995). The West countries cooperated to help the West Germany resist the control of Soviet Union. Meanwhile, the United States shared this anti-communist concern, and the encouragement and economic

assistance in the form of Marshall Aid, which it promoted the West European states after the war to cooperate and it was partly driven by a belief that such cooperation could play a major part in helping to halt the communist advance (Nugent, 1995).

However, Southeast Asia in particular and East Asia, in the historical context, are more generally as an increasingly distinguished region, comparing with Europe. The much incorporation of Southeast Asia into a powerful, increasingly global capitalist system in a process that fundamentally transformed existing social structures and gave economic control to the colonial powers, helps to explain why most of Southeast Asia has been plagued by poverty ever since (Reid, 2000). Yet this common history, especially when combined with the more recent experience of Japanese militarism, decolonization, the impact of the Cold War and the structurally embedded position the region occupies in the international system, means, for all, its striking heterogeneity (Stubbs, 2000). Katzenstein (1996) accounted for two determinants to examine Asian regionalism: namely, the character of domestic state structures, and power and norms in the international system.

The origins of the contemporary domestic state structures of Southeast Asian, and many of the problems that have subsequently confronted them, can be traced to the colonial powers' intrusion into, and subsequent withdrawal from Southeast Asia over the course of the 19th and 20th centuries. The expansion of the states system from Europe throughout the rest of the world not only generated an overarching

institutional infrastructure into which the freshly minted states of post-colonial Asia would subsequently aspire to fit; it also profoundly influenced the domestic shape of these states (Watson, 1992).

Therefore, social forces inherited from the imperial past penetrate these postcolonial states deeply and create multiple political connections to intricate network structure. Thus these states have inherited the colonial tradition of “the rule by law” rather than the “rule of law (Katzenstein, 1996)”. Therefore, it is weakness to deal with public law in the establishment of formal institutions, while Asian regionalism has during recent decades experienced a series of very slow, even the most successful institution of Asian regional integration. ASEAN has arguably avoided the elimination of tariff, and until recently it was committed to negotiation in establishing Free Trade Area. Thus the informal institutions are prevalent and take up the vehicle of Southeast Asian regional integration.

Furthermore, the powers and norms in the international system differ on the Europe and Southeast Asia. American power in Asia after 1945 was relatively much greater than in Europe, and US foreign policy in Asia did not establish the principle of multilateralism there as it did in Europe (Katzenstein, 1996). American diplomacy in Pacific Asia has overwhelmingly been bilateral and not multilateral. This has made it much more difficult for Asian states to develop broad, interlocking and institutionalized political arrangements of the kind that have characterized the

European integration process (Eliassen, et al, 2001). By comparing the initial role of America in Europe and Southeast Asia, America accelerated a certain process on Europe integration while creating some obstacles in extent in East Asian integration.

3.1.2 Political Factors

On the discussion of political homogeneity and heterogeneity between EU and ASEAN, it is conducted in respect of political ideology, political system, and security consideration in the region. Hanks (1986) defined that politics refers to the study of the ways in which a country is governed and power is acquired.

Europe is a continent with common shared values such as democracy, freedom and social justice. The EU defends these values. It fosters cooperation among the peoples of Europe and promotes unity while preserving diversity and ensuring that decisions are taken as close as possible to the citizens (Europa.eu.int, 2006a).

EU member countries share the same democratic political system—liberalist democracy. For the oldest and durable liberal societies—those in the Western European, such like England, France, or Germany— they have typically understood themselves in Lockean, Hobbes, Hegel, and Rousseau, those greatest philosophers' terms (Fukuyama, 1992:143-152). Therefore, one of the rules to become EU member is that they should be a democratic state, and should have similar political system with others.

It could be claimed that the ASEAN countries differ far more in their political systems than do the EU states. The Pacific region is politically highly heterogeneous, so the political systems in the ASEAN countries, as Eliassen (2001) described it as all composed of some form of authoritarian capitalist or semi-democratic system, but with great differences between one another. For example, the political difference between Singapore and Vietnam is much greater than the political difference among any two of the European nation-states.

There was a sense of Western Europe to identify political entity; due to the post-war division of Europe and international power balance from European state relations to United-States-Soviet relations, the onset of the Cold War produced the possibility of Europe being the battleground between East and West Europe. At that time, some of the smaller Europe states, which had rarely exercised much international influence and whose very existence had periodically been threatened by larger neighbors, and then the prospects of such cooperation were particularly attractive. Thus many of these countries did produce a desire that the voice of Western Europe should be heard on the world stage and a belief that this could be achieved only through unity and by speaking with one voice (Nugent, 1995:16-17).

Before ASEAN was established, the Southeast Asian region abounded conflicts, for these states argued for the national sovereignty and national identity. According to

Holsti (1991:6-9), the two most common issues behind international conflicts were territorial questions and questions of national liberation in Southeast Asian before ASEAN establishment. These issues were also central in the interstate conflicts of Southeast Asia in the 1960s.

Territorial disputes and disputes over the rights of nations to secede featured prominently in the justification of the Malaysian confrontation. Malasiya and Indonesia were in conflict in 1958 when Malasiya supported an unsuccessful coup in the northern parts of Indonesia. There were also hostilities between the Philippines and Malaysia, since the Philippines claimed Sabah, which was included in the federation of Malaysia in 1963. The main conflict took place between Malaysia (including Singapore as part of Malaysia Federation) and Indonesia in 1963-1966, when Indonesia tried to prevent the establishment of a "colonialist conspiracy" of the Federation of Malaysia. The Malaysian confrontation involved a diplomatic dispute and direct military hostilities by the voluntary troops supported and sometimes directly assisted by the Indonesia military forces (Christie, 1998:181-246).

Meanwhile, these countries also fought for national liberation after World War II. Indonesia fought with its colonial master, the Netherlands, in 1945-49 over independence, and again in 1953 and in 1960-1962 on West Papua. Indonesia experienced a bloody upheaval in 1965-1966, and several foreign countries, notably the UK and the USA, were involved by offering the government intelligence

assistance against the communists (Chrustie, 1998: 181-246). Thus, it has been claimed that ASEAN is preventing militarized disputes among the Southeast Asian countries, and maintain regional security and construction of East-West confrontation (the five founder ASEAN countries threat from Vietnam). Obviously, looking at the charter of the ZOPFAN declaration (Declaration on the Zone of Peace, Freedom and Neutrality), which is a part of ASEAN's security undertakings, the overall impression is that the member states should not interfere in each other's internal affairs (Engberg, 2001).

3.1.3 Economic Factors

Although West European governments played their parts in helping create the new international economic arrangements, it was felt in many quarters that there should also be specifically West European-based economic initiatives and organizations. Thus, these states endeavor seek greater economic cooperation between them. As a result, the first major post-war Western European organization, the Organization for European Economic Cooperation (OEEC), was established, with sixteen founding member states in April 1948. That is to say, OEEC attitudes coming out of the war that favored economic cooperation between West European states were given a direction by particular requirements that were related to the war and its immediate aftermath.

Economic interdependence aroused particularly from the post-1945 world: the

enormously increased volume of world trade; the internationalization of production-in which multinational corporations had played a prominent part; and the fluctuations and uncertainties associated with currency exchange rates and international monetary arrangements. Within Western Europe there have been two important regional dimensions to this development of interdependence. As for the first one, all significant Western European countries have, since the Second World War, seen their external trade becoming increasingly West European focused. The other one is monetary power with Western Europe, which has increasingly come to the center in the hand of those who make the monetary decisions for the strongest economy: Germany. Later, EC/EU has played an important role in encouraging this trend.

However, post-colonial Southeast Asian countries were still suffering from poverty and lagging, because the region was not peaceful after Second World War II. They were continually fighting for national sovereignty among states, and these conflicts and disputes counteracted economic growth.

During the Malaysian confrontation, objective economic interdependence did not lessen Indonesia's aggressive behavior. President Sukarno was quite ready to disregard Indonesia's economic ties to the UK. As a response to a perceived British diplomatic humiliation, in 1963 Sukarno ordered government takeovers of British properties in Indonesia. This was a serious blow to Indonesia's ability to attract the foreign investments needed for its development (Jones, 1963). The most harmful for

the Indonesian economy, especially for its export industries, was Indonesia's unilateral action to cut all trade to Malaysia, including Singapore (Jones, 1963). Indonesian exports were mainly marketed to the world and processed by Singaporeans (Newsom, 1986:103). However, the developmentalism has been a major orientation in ASEAN, and increase the subjective evaluation of the common economic interests (Habib, 1991).

Furthermore, the high degree of heterogeneity in the Pacific region makes formal economic cooperation difficult, because it greatly increases the transaction costs of institution-building. By contrast, non-institutional economic cooperation in Asia has functioned well in relation to the progressive liberalization of the Southeast Asian economies, especially in trade and investment, which have been under way since the 1960s, accelerating since the 1980s. The informal, gradual and flexible nature of non-institutional economic cooperation makes this approach highly appropriate as a way to open up economies while minimizing the outside shock accompanying liberalization (Peng, 1997:14).

An economy system is according to which the money, industry and trade of a country or region are organized (Hanks, 1986). Economic disparity is the single most important barrier to formal regional cooperation in the Asia-Pacific region. It reflects the divergence in degree of industrialization, technological level, labor costs, export capacity and several other important factors. Within ASEAN there are enormous

differences in per capita income/GDP between, at the end of the 1990s, an average of about \$1,086 in Indonesia and \$20,400 in Brunei (Poh, 1997).

As it has pointed out above, Southeast Asians have their own way of conducting economic cooperation through informal means. For instance, economic cooperation based on the multi-tier economic division of labor is particularly strong in Southeast Asia. Sub-regional economic groupings (like ASEAN) and business networks are also playing very important roles in Southeast Asian regional cooperation. Strong informal economic cooperation is an important factor propelling regional integration in the absence of effective regional cooperative institutions (Eliassen, 2001).

3.1.4 Cultural Factors

A variety of causes for the unprecedented prominence of the cultural factor have been advanced in recent years. There are analyses, which in particular espoused respectively by Huntington, Barber and Cox, and they share the view that the foreseeable future of the globalize world that cultural differences playing a particular role in generating and aggravating conflict. Thus, cultural heterogeneity can also raise transaction costs. Culture is a particular society or civilization, especially considered in relation to its ideas, art, customs or way of life interpreted by Hanks (1986). In investigating cultural aspects, ethnic, religion and language in the EU and ASEAN are considered respectively.

In Southeast Asian, the complex ethnic was a legacy of colonialism. The dominant European powers encouraged large-scale migration into the region to supply the labor needs of their colonial empires. Labors from China, in particular, not only created racial divisions which had provided potential sources of social conflicts in countries like Indonesia and Malaysia, but also laid the foundations for an enduring source of economic power that has shaped subsequent economic and political development throughout the region (Beeson, 2002:551). As a consequence of these multifaceted questions of ethnic and national identity, which were compounded by the difficulty of operating within fragile political structures that often lacked political legitimacy, to say nothing of the broader challenge of promoting economic development, the governments of these emergent nations developed a predictable preoccupation with internal stability and security (Ayoob, 1995).

In the EU countries, all the member states are Christian, although one may argue that within Christianity there are many divisions, they still fall within one religious creed. However, in the ASEAN countries there are six major religions-Buddhism, Taoism, Hinduism, Christianity, Islam, and Confucianism (Eliassen, et al, 2001). Language diversity in the Asia-pacific region is much greater than in Europe. Almost all the EU countries belong to the Indo-European family of languages, the only exception in fact, namely Greece. In contrast, there is a greater diversity among the ASEAN countries, where Thailand and Singapore belong to the Chinese-Tibetan language family, and Malaysia, Indonesia, the Philippines and Brunei to the Malay-Polynesian (See

Appendix1).

Moreover, Hnízdo (2004:11) stated that diversifications of national languages and religions are playing a very significant role in the processes of these nation-states identity disparity. In Europe, different political nations possibly can share the same language, for example, French (Walloons and the French), English (the English, the Scottish, the Irish) or German (Germans, Austrians). Similarity in Asia, even national language plays a role of a broader political identity (Arabic, Turkish, Farsi), or an official language is spoken by a minority of population (Urdu, Hindi), or official languages coexist with many other languages in a very complex linguistic environment (Southeast Asia) (Hnízdo, 2004).

Cultural heterogeneity also extends beyond religious and linguistic diversity to much broader categories like consumption behavior, business practices, and methods of management and so on. The formation of Asian business networks is linked with the Strong East Asian cultural tradition (Katzenstein, 1996). Confucianism, which has a strong influence in all the major Northeast Asian societies, Vietnam and the Overseas Chinese societies, has always placed great emphasis on human relations and personal ties. Extensive use of personal networks is processed in an effective way to get around barriers to business in many Southeast Asian countries, both domestically and internationally.

3.2 The Basic Principles and Integration Process of EU and ASEAN

In attempt to investigate the heterogeneity of EU and ASEAN deeply and widely, this section is to discuss the different foundation of two regions, based on the basic principle, integration Process and Structure of institution, which reflected on the EU has become unique supranational community, while ASEAN lag off the process that still at the basic intergovernmental level, within economic, social and cultural cooperation. Then it is to recognize the EU-ASEAN relations, region-to-region cooperation if it promotes the integration.

3.2.1 Basic Principles and Common Aims

EU succeeds the organization of European Community (EC). The first step in European Integration was taken when six countries set up a common market in coal and steel. The aim, in the aftermath of the Second World War, was to secure peace between Europe's victorious and vanquished nations it brought them together as equals, cooperating within shared institutions. Term European Union began to use from the sign of Maastricht agreement (1993), whose objective is to identify the ways in which integration had to be deepened in order to establish the European Union in terms of the economy and to promote closer political integration.

The principle of subsidiary in Community decision-making also included in the agreement. The member states have set up common institutions to which they delegate some of their sovereignty so that decisions on specific matters of joint

interest can be made democratically at European level.

The objective of ASEAN presented on regional and international forums are to attain its regional economic, social and cultural cooperation, which through “joint endeavors” and “active collaboration and mutual assistance.” However, unlike the EU, the declaration of ASEAN contains no equivalent exhortation toward political aim. It speaks only of “respect for justice and the rule of law” and “adherence to the principles of the United Nations Charter” to regard the regional peace and stability (The ASEAN Declaration, 1967).

The basic principles of ASEAN declared at the first Summit, and the member states signed the Treaty of Amity and Cooperation (1976) in Southeast Asian, which is envisaged as the foundation of a strong Southeast Asian Community. It stated that ASEAN political and security dialogue and cooperation should aim to promote regional peace and stability by enhancing regional resilience:

- Mutual respect for the independence, sovereignty, equality, territorial integrity and national identity of all nations;
- The right of every state to lead its national existence free from external interference, subversion or coercion;
- Noninterference in the internal affairs of one another;
- Settlement of differences or disputes by peaceful means;

- Renunciation of the threat or use of force; and
- Effective cooperation among themselves.

3.2.2 Integration Process

EU is succeeding organization of EC, and it is common name for three international organizations with common economic and political objectives and with the same member basis. The first step in European integration was taken when six countries set up a common market in coal and steel in 1951 namely, European Coal and Steel Community (ECSC). Then in 1957, they built a European Economic Community (EEC); they based on common market in a wide range of goods and services free movement and European Atomic Energy Community (Euratom) upon on the nuclear cooperation. The executive structures of the three communities were merged and the EC was formed, although they kept their legal personality separately (europa.eu. int, 2006).

To meet the challenges of a deepening and widening European Integration, numerous legal and institutional adaptations and Treaty changes were required. In 1987, the Single European Act established the roadmap for the completion of the internal Market by 1992 that it consolidated the institutional structure of the EC, including the initial steps to establish a common foreign and security policy (Zepter, 2004). Then in 1993, the Treaty of Maastricht was adopted creating the European Union and setting the timetable for the introduction of the single currency, the euro. The Treaties of

Amsterdam and Nice were ratified in 1999 and 2003 respectively and aimed at reinforcing the EU's institutional arrangements in preparation for enlargement (see table 3.1). EU has on the total economic unification process.

EU also integrates into world economic, political and social activities. In economic, trade and monetary terms, the European Union has become a major world power. It has considerable influence within international organization such as the World Trade Organization (WTO). EU gradually becomes the one of greatest world trade partner within more than half century existence and created many ties with extra-regional cooperation, extensive net of multilateral, bilateral and regional trade relations within individual partners (Fogaš, 2004:99). It has set up regional partner with many regions or states, even regional organization, such as ASEAN—European Union dialogue and Asia-Europe meeting (ASEM).

ASEAN was established in Bangkok, 1967, and the ten members are Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam. The start of the whole integration process was efforts for regional cooperation: Association of South-East Asia (ASA) signed by Thailand, Malaysia, Philippines in 1961; MAPHILINDO-members were Malaysia, Philippines, Indonesia in 1963 and Partly South-East Asia treaty Organization (SEATO), whose members were Australia, France, New Zealand, Pakistan, Philippines, Thailand, UK, USA, but this organization only worked within 1954-1977 (Fogaš, 2004:95). One of the intentions of these Associations was regional economic, social and cultural

Integration level	Legal base	Signature	Effective	Objective	Realization
Customs Union	Treaty of Rome	25, Mar. 1957	01, Jan. 1958	Customs Union: until 1970	1968
Common Market	Treaty of Rome	25, Mar. 1957	01, Jan. 1958	Common Market: No specific final deadline	Continuous realization
Single market	Single European Act	18, Feb. 1986	01, Jan. 1987	Single Market: Single Market Program, by 01, Jan. 1993	01.01.1993 continuous realization
Economic and Monetary Union	Treaty of Maastricht	07, Feb. 1992	01, Nov. 1993	--Monetary Union: By 01, Jan. 1999, the latest	=>01.01.1999
	Treaty of Amsterdam	02, Oct. 1997	01, May. 1999	--Economic Union: No specific final deadline Harmonization employment policy: No specific final deadline	=>Continuous realization =>Continuous realization
Political Union	Treaty of Maastricht	07, Feb. 1992	01, Nov. 1993	--EU Citizenship	=>01.11.1993
	Treaty of Amsterdam	02, Oct. 1997	01, May. 1999	--Common Foreign and Security Policy	=>Continuous realization
				--Cooperation in Justice and Home Affairs	=>Continuous realization
*Treaty of Nice	26, Feb. 2001	01, Feb. 2003	--Strengthening of Foreign and Security Policy --Communitarization of Most of Justice and Home Affairs within 5 Years --EU Enlargement	=>Within 5 years from 01.05.1999 until 01.01.2004 =>Continuous realization	

Table 3.1 Development of European Integration (Source: Horváth, 2002, note, “*” by author)

cooperation and development. Thus, ASEAN succeed to basic principle.

Meanwhile, in 1965, Suharto came into power, and the foreign policy of Indonesia changed, which turned to amity with neighbor countries so that finished the enmity against toward Malaysia. Meanwhile, feeling of external treat for whole region from Vietnam War stimulated negotiations between countries of the Southeast Asian to found a security community (Christie, 1998). Agreement was signed on the eighth of August, 1967 in Bangkok by Thailand, and the other founding members: Indonesia, Malaysia, Singapore, Philippines and Thailand. The ASEAN was born.

Since the foundation, ASEAN has forged major political accords that have contributed greatly to regional peace and stability, and to its relations with other counties, regions and organization. Zone of Peace, Freedom, and Neutrality (ZOPFAN) declaration was signed in Kuala Lumpur in 1971; and it recognizes the sovereignty of member states and cannot interfere internal affairs, by which to maintain regional peace and security.

Then two significant documents of friendship and cooperation were adopted at First Summit in 1976: Declaration of ASEAN Concord, and Treaty of Amity and Cooperation in Southeast Asia, on which determined the principles of cooperation between five member states. These agreements laid successful basis of peaceful relations between member states and made possible also in the present time to the other states extended peaceful zone in Southeast Asia and even in South Pacific (Fogaš, 2004:96).

When ASEAN was established, economic cooperation among the Member Countries

was insignificant. One of earliest economic cooperation schemes was the Preferential Trading Arrangement of 1977, which accorded tariff preferences for trade among ASEAN economies. However, the Framework Agreement on Enhancing Economic Cooperation was adopted at the Fourth ASEAN Summit in Singapore in 1992, which included the launching of a scheme toward and ASEAN Free Trade Area (AFTA). The strategic objective of AFTA is to increase the ASEAN region competitive advantage as a single production unit.

ASEAN realized the importance of regional cooperation by maintaining economic prosperity in individual state after Asian Economic Crisis. Thus it advanced the closer economic integration within the region, and adopted the ASEAN Vision 2020, namely, ASEAN Partnership in Dynamic Development will aim at forging closer economic integration within the region and affirm an outward-looking ASEAN to play a pivotal role in the international community and advancing ASEAN common interests.

A significant development for ASEAN took place at the Bail Summit, 2003. The leaders projected the creation of an ASEAN Economic, Security and a Socio-cultural community. It reflects to 11th Summit in Kuala Lumpur, the Community endorsed to “accelerate the liberalization of trade in services not covered in the Priority Integration Sectors by 2015”, and discussed advancing the target date for the realization of the ASEAN Economic Community from 2020 to 2015 (www.aseanesc.org, 2006). Table 3.2 is a list of basis legal normative of ASEAN from Year 1971 to 2003 and Table 3.3 includes two lists of ASEAN formal and informal summits.

Name of Normative	Date of Adoption	Place of Adoption	Character
ASEAN Declaration	08, Aug. 1976	Bangkok	
Zone of Peace, Freedom and Neutrality Declaration	21, Nov. 1971	Kuala Lumpur	Political Objective
Declaration of ASEAN Concord	24, Feb. 1976	Bali	
Treaty of Amity and Cooperation in Southeast Asia	24, Feb, 1976	Bali	Political Objective
ASEAN Declaration on the South China Sea	22 July, 1992	Manila	
Treaty on the Southeast Asia Nuclear Weapon-Free Zone	15, Dec. 1997	Bangkok	Political Objective
ASEAN Vision 2020	15, Dec. 1997	Kuala Lumpur	
Declaration of ASEAN Concord II	07, Oct. 2003	Bali	

Table 3.2 Basic Legal Normative of ASEAN (Source: Kotebová, 2004)

ASEAN Formal Summits

First	23-24 February 1976	Bali
Second	4-5 August 1977	Kuala Lumpur
Third	14-15 December 1987	Manila
Fourth	27-29 January 1992	Singapore
Fifth	14-15 December 1995	Bangkok
Sixth	15-16 December 1998	Ha Noi

Seventh	5-6 November 2001	Bandar Seri Begawan
Eighth	4-5 November 2001	Phnom Penh
Ninth	7-8 October 2003	Bali
Tenth	29-30 November 2004	Vientiane
Eleventh	12-14 December 2005	Kuala Lumpur

ASEAN Informal Summit

First	30 November 1996	Jakarta
Second	14-16 December 1997	Kuala Lumpur
Third	27-28 November 1999	Manila
Fourth	22-25 November 2000	Singapore

Chart 3.3 ASEAN Formal and Informal Summits

(Source: <http://www.aseansec.org>, 2006)

ASEAN also desires to build up a community of caring societies. A framework for elevating functional cooperation to a higher plane was adopted in 1996; it shared the prosperity through human development, technological competitiveness, and social cohesiveness (www.aseansec.org, 2006).

Comparing the integration process between EU and ASEAN, it was obvious to notice that both of them are historical regional communities, which were established after World War II. They have some common purposes: anti-communists, regional peace and security. However, ASEAN is much to lag off the EU's regional integration, and

institutional integration, while ASEAN is still on the intergovernmental level of cooperation. While EC turned to EU, ASEAN was on the regionalization process and unfortunately, it happened to stagnation till the Asian economic crisis. Although ASEAN goes far away from supranational community, ASEAN accelerates the process on the regional economic integration, and set target toward Free Trade Areas among member states, and extra-regional Asian states, such as ASEAN+3.

3.2.3 The Structure of Institutions and Power

EU is more than an intergovernmental organization but still less than federation states. The EU is an organization *sui generis*, where political compromise will sometimes prove stronger than mere rules (Gramegna, 1997). But the community is more than an intergovernmental organization, which became clear when France practiced the vacant chair policy in 1966. The Union has its own special legal status and extensive powers of its own. On the other hand the European Union is not a true federation to which national parliaments and governments are subordinate in important matters (Horváth, 2002:64). However, ASEAN is a pure intergovernmental organization, where decisions are made by the ASEAN foreign ministers on the basis of consensus or unanimity.

The decision-making and operating mechanisms of the European Union are essentially guaranteed by four main bodies. The system based on the cooperation of the Council of the European Union, which representing the member states; the European Parliament, which represents the citizens; and the European Commission, a politically independent body that upholds the collective European interest; and the Court of Justice, which is requested to rule on the interpretation or to assess the

validity of the EU law (europa.eu.int, 2006). The Commission's scope of duties involves the recommendation, preparation, formulation and, to a lesser degree, implementation of decisions. The main decision making and legislative organ is the Council, while the parliament functions partly as its co-decision maker and co-legislator and partly as a consultative and monitoring body. These three institutions' work is complemented by the Court of justice, which ensures that Community law is upheld and uniformly implemented (Horváth, 2002:64).

However, ASEAN has much simpler organization structure than EU. The only standing bureaucratic institution is the ASEAN Secretariat. The Secretariat is headed by the Secretary-General, who is appointed by the ASEAN heads of government with the recommendation of the ASEAN foreign ministers. The role of the Secretariat is merely to initiate, advise, coordinate and implement ASEAN activities (www.aseansec.org, 2006).

There are three major meetings of the ministers and two major meetings of the officials. The ASEAN Summit is obviously the most important institution. It is the highest authority in ASEAN; the meeting is convened every three years to give policy direction to the Association. To deal with the increasingly complex challenges facing ASEAN, an Informal Summit was initiated in 1996 (www.aseansec.org, 2006). The informal summit is to be held in between formal summits to provide more opportunities for the leaders to meet and to provide timely guidance to the Association. Prior to the Summit, and there is the Joint Ministerial Meeting (JMM), which comprises the ASEAN foreign ministers and the ASEAN economic ministers. The purpose of the JMM is to facilitate cross-sectoral coordination of and consultation on

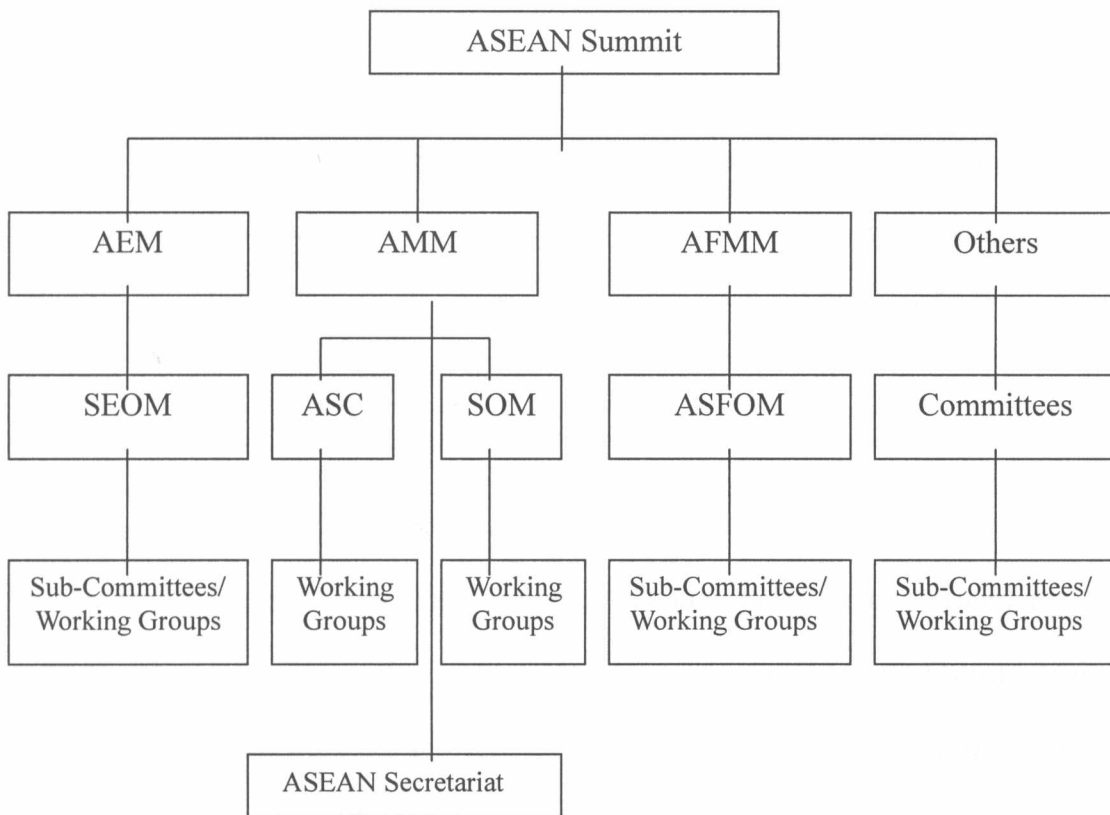
ASEAN activities (Beng, 1997).

The ASEAN foreign and economic ministers also have their own meetings. The ASEAN Ministerial Meeting (AMM) performs the key function of making policies and overseeing their implementation. The other important ministerial meeting, the AEM, is the ASEAN economic Ministerial Meeting, which is to direct ASEAN economic cooperation. The Senior officials of the Foreign and Economic Ministries also meet separately to discuss issues and to report to the ministers. These are the Senior Officials meeting (SOM) and the Senior Economic Officials Meeting (SEOM) (www.aseansec.org, 2006) (See Figure 3.1).

Comparing between EU and ASEAN, organizational structures are quite different. Unlike ASEAN, EU has four main institutions. First, the Council of Ministers, which is the central body around which most of the life of the EU rotates; it is a political, legislative body and decision making institution. There is an equivalent of Council body in ASEAN: the Secretariat of ASEAN, but it does not have a legislative function. This is a major difference between ASEAN and the EU. Secondly, European Commission, that is the guardian of the treaties; its role is to act and to serve as the executive arm of the communities, to initiate community policy and to defend the community interest in the Council. However, there is no institution equivalent to the Commission in ASEAN. The Third one is European Parliament, whose power is called co-decision, cooperation procedure and assent procedure, whereas there is no comparable institution in ASEAN. The last but not least one is the Court of Justice, but ASEAN does not possess such justice body as EU.

3.3 The Challenge of Integration

Although EU is a unique regional Community, it still faces the challenge of integration, in which there is similarity to the ASEAN, such like regional enlargement boundary, the limitation of sovereignty and so on. Comparing the two regional enlargement processes, it will investigate the power in the region integration, and its intra or extra influence. Meanwhile, sovereignty of member states is comparative between the two regions, which also are distinctive in integration.



AEM : ASEAN Economic Ministers

AMM : ASEAN Ministerial Meeting

AFMM : ASEAN Finance Ministers Meeting

SEOM : Senior Economic Officials Meeting

ASC : ASEAN Standing Committee

SOM : Senior Officials Meeting

ASFOM : ASEAN Senior Finance Officials Meeting

Figure 3.1 Illustrative ASEAN Organization Structure

(Source: www.aseansec.org, 2006)

3.3.1 Boundary of Enlargement

EU founding member was six, however, the European dynamism and the continent's changing geopolitics took place in 1973, at that time Denmark, Ireland and the United Kingdom joined the Communities; it is the first enlargement, from six to nine. Then in 1981 due to the headstream of European culture and language, Greece joined in, and then followed by Spain and Portugal after the death of Franco within fall of authoritarian political system (Horváth, 2002:36-38). Another wave of enlargement happened in 1995; Austria, Finland and Sweden joined the Community.

After the collapse of Soviet Union, the former Soviet bloc countries turned to democratic political system so that they measured up the EU entrance standard, and as result, they began knocking at its door. This came as no surprise with Cyprus, Malta and Turkey together with the ten Central and Eastern European countries seeking membership³; altogether, 13 candidates were knocking on the EU's door increasingly loudly.

However, EU noticed it was opportunities and challenges to consider these Eastern

³ Eastern Europe countries: Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia

candidate countries. On the one hand, this was opportunity to help stabilize the European continent and extend the benefit of European unification to these young democracies. On the other hand EU considered the backwardness compared to the average level of development in the EU, and how to ensure that the achievements of integration were not placed at risk, and maintain EU policies (Horváth, 2002:451).

The momentous steps of European Enlargement took place in Copenhagen, 2002. Union set the three Criteria from political democracy, market economy and obligations as EU membership for the Eastern European Candidates. Thus EU decided to admit 10 more countries⁴ to join the EU on 1 May 2004, and accepted not only geographically but also in terms of their culture, history and aspiration.

The debate is raised that how large the EU will be, and where to draw the unlimited boundaries. Bulgaria and Romania will join in 2007, if all process according to the plans agreed at Copenhagen. Turkey still is a candidate states, although it applied for EU since 1987, because Turkey lies on the very edge of the European continent, and majority of Turkish was Muslim; that is discrepancy from Christianity of European continent (europa.int.eu, 2006). Certainly, the countries of the western Balkans such as Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, and Serbia and Montenegro could apply once they have achieved political stability and meet the Copenhagen criteria.

The intra-ASEAN enlargement was started in 1984, when the independent sultanate Brunei Darussalam. Then Vietnam joined the association in 1995. One of significant

⁴ Ten New members of EU are Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

step was the admission of Laos and Myanmar into the Association at the 30th ASEAN Ministerial Meeting (AMM) in 1997, which was closer to the ASEAN comprising all ten Southeast Asian states. Until 1999, Cambodia's admission as up to now the last member of the Association, ASEAN is geographically compact whole including all countries of Southeast Asia (Fogaš, 2004:97). ASEAN had achieved the first step towards the ultimate dream of ASEAN, to unite all 10 Southeast Asian countries, including Vietnam, Lao PDR, Myanmar and Cambodia, as one family for the first time in the region's history. Vietnam's membership makes China ASEAN's immediate neighbor, as well as India when Myanmar became a member (Beng, 1997).

Comparing with EU, ASEAN completed intra-region integration, where the ten Southeast Asian countries are the Community members. At present ASEAN is in the extra-region enlargement. In 1999, Manila Summit, ASEAN+3 (ASEAN member states+ China, South Korea, Japan), where members states decided to create common trade area and currency in the region by removing customs barriers, primarily between more developed countries in horizon till 2010 and consequently till 2015 in Cambodian Lao PDR and Vietnam (Fogaš, 2004:97).

By the end of 2005, the first East Asian Summit held in Kuala Lumpur, ASEAN is the leading actor within extra six members (see figure 3.1), and the Russia as observer in this Summit. Although the first Summit did not include USA attendance, it seems that Japan, Australia, New Zealand and India acted as the representative for USA. Therefore, Asia Summit is a proof to verify that East Asia or even ASEAN is weak on the integration, which is easily affected by extra powers, which is unlike EU, inward powers are strong enough to push forward to enlargement.

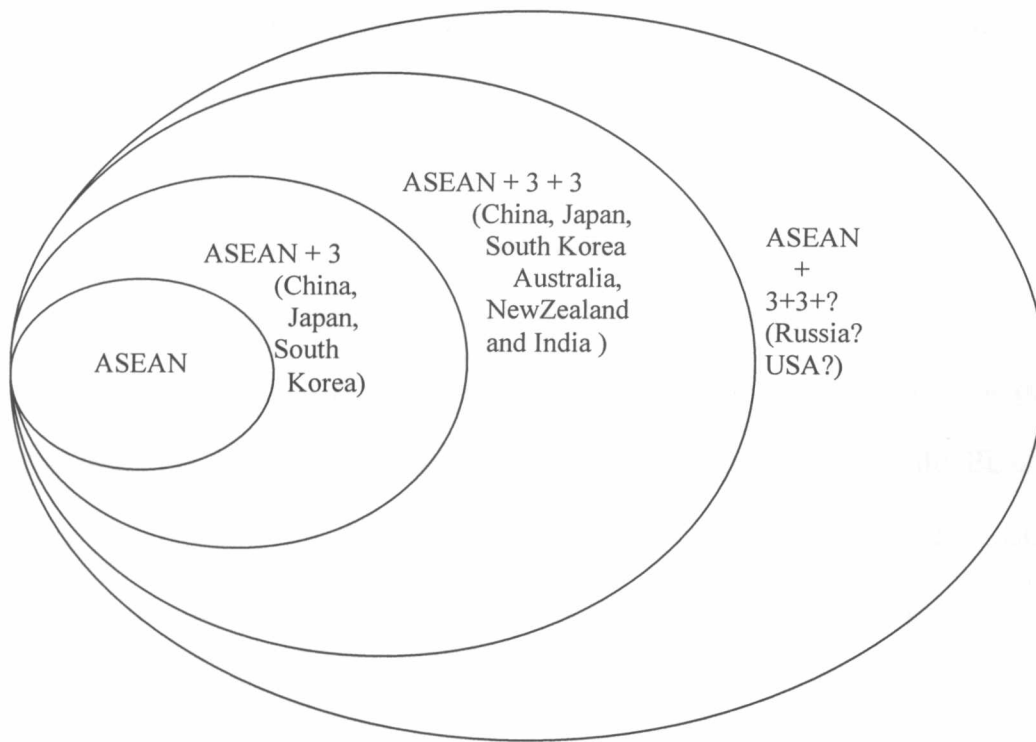


Figure 3.2 ASEAN Extra-Region Enlargement (Source: by Aothor)

3.3.2 Limitation of Sovereignty

ASEAN is regional intergovernmental economic, social and cultural level cooperation, while EU is more than confederation, but less than federal states. EU has judicature, legislation and administration, and its member states have set up common institutions to which they delegate some of their sovereignty so that decisions on specific matters of joint interest can be made democratically at European level (europa.eu.int, 2006).

However, ASEAN decisions are made through annual Ministerial Meetings, and there is no higher authority institution. Therefore, what is important and very different from EU is that none of the ASEAN members loses any of its sovereign rights in becoming a member of ASEAN. In addition, the principle of ASEAN is each member state respects each other's sovereignty, that is, "Noninterference in the internal affairs of one another" which reflected in the Treaty of Amity and Cooperation. In general,

ASEAN's decision-making is based on consensus and consultations (www.aseansec.org, 2006).

3.4 The Relations between EU and ASEAN

Apart from internal Meetings, EU and ASEAN also conduct meetings with the world, which are referred to as dialogue partners, such as the EU-ASEAN dialogue partners. Therefore, the EU-ASEAN relationship is conducted on two levels: the EU-ASEAN Dialogue and the EC-ASEAN Cooperation Agreement (1980). The EU is a longstanding dialogue Partner of ASEAN, taking the shape of regular Ministerial meetings, which is a bloc-to-bloc relationship.

Cooperation between the EU and ASEAN is also based on a Cooperation Agreement between the EC and member countries of ASEAN (Myanmar exception)⁵. EU identified ASEAN as a key economic and political partner of the EU and emphasized its importance as locomotive for overall relations between Europe and Asia. Meanwhile ASEAN regards EU as an important and first dialogue partner. They present its communication on the base of "Europe and Asia: A Strategic Framework for Enhanced Partnerships" (EC-ASEAN Partnership, 2001).

Meanwhile, EU regularly participated at forums of ASEAN in the framework of ASEAN Regional Forum (ARF), ASEAN-EU Ministerial Meeting (ASEMM), ASEAN-EU Economic Ministers Meeting, ASEAN-EU Senior Official Meeting (SOM) the Post Ministerial Conference (PMC) 9+1 and 9+10 and Joint Cooperation Committee, which are the opportunity for intensification of solution of questions of

⁵ EU has indicated it cannot agree to negotiate an extension of agreement to Myanmar as long as the situation as regards democracy and human rights in that country does not improve significantly

political and economical development as well discussing of international security issues (Fogaš, 2004:104).

Apart from EU-ASEAN dialogue, regional forum, Ministerial meetings, EU-ASEAN also cooperate on the EU-Asia framework: Asia-EU meeting (ASEM), with purpose of establishing comprehensive partnership between Asia and Europe. The meetings are presented by the representatives of 10 Asiatic states- 7 ASEAN states—Brunei, Philippines, Indonesia, Malaysia, Singapore, Thailand, Vietnam, representative of China, Japan and South Korea and 25 European Union member states (europa.eu.int, 2006b). ASEM is carrying out economic issues, political, social, environmental and cultural issues, but it is non-formal dialogue rather than negotiation forum, because it is still lack of formally institutionalized. ASEM is more than understanding as dialogue “block- to- block”, but as “region-to-region” (Fogaš, 2004:101)

3.4.1 Political Aspect

Political dialogue between the EU and ASEAN firstly takes place at regular Ministerial Meetings. The dialogue is held every second year since 1978 by the Foreign ministers of both the EU and ASEAN. ASEAN-EU relations intensified in 1994. The 11th ASIAN-EU Ministerial Meeting (AEMM) in Karlsruhe was a landmark meeting as both sides held candid and open discussions to develop a comprehensive approach to ASEAN-EU political and security relations towards the year 2000 and beyond. It also provided the momentum for the First meeting of the ASEAN-EU Senior Officials (SOM).

Recently, the 15th ASEAN-EU Ministerial Meeting was held in Jakarta, 2005. The

meeting underlined by various pro-EU statements of ASEAN Ministers and it is clear that the enlarged EU is more than ever a reference-model for Southeast Asia in their desire for prosperity and stability within Asian (euopa.eu.int, 2006b). The two blocks cooperate on the terrorism substantial progress under the TREATI (trade) initiative, launch of tri-lateral cooperation, a joint EU-ASEAN visibility strategy and so on. The meeting also reasserted to EC's substantial Action Plan for Post Tsunami reconstruction. However, the biggest barrier of EU-ASEAN relations was political situation in Myanmar, where EU regards it with the bad records of democracy and human rights.

EU-ASEAN political relations also cooperate under ASEM framework, the discussions focus on international security issues, fighting against world terrorism and piracy, illegal trading with human beings, drugs and arms, fighting against laundering of dirty money.

3.4.2 Economic Aspect

EU was ASEAN's second largest export market and the third largest trading partner after the United States and Japan, in 2003. EU exports to ASEAN were estimated at 39 billion euro, while EU imports from ASEAN were valued at 66 billion euro. The main exports from ASEAN to the EU are machinery, agricultural precuts, and textiles. In general, both EU imports and exports of goods to ASEAN between 2000 and 2003 have decreased, largely reflecting global trends, although at a slightly higher rate. In contrast, trade in services during the same period has increased for both EU imports of services with ASEAN. EU FDI flows to ASEAN are recovering after the fall due to the financial crisis of 97-98. Singapore attracts more FDI than all the other ASEAN

countries taken together and was the 4th largest destination for EU direct investment in 2003, after Russia and ahead of China (europa.en.int, 2006b).

EU-ASEAN economic relation ties built, when the EC-ASEAN Cooperation Agreement was signed. Initially, technical assistance was one of the three area to be emphasized within commercial and economic cooperation. The areas have ranged from trade, industry, finance and banking, minerals and energy, agriculture and forestry, transport and communications to social development, human resources development and narcotics control. In particular, the EU has assisted ASEAN in setting up five economic and trade institutes: the ASEAN Customs institute For Training and Research (ACITAR), the ASEAN-EC Energy Management Training and Research Centre (AEEMTRC), the ASEAN Timber Industry Research and Development Centre and the ASEAN-EC Management Centre (europa.en.int, 2006b).

The extensive economic cooperation existed after the 14th meeting of the ASEAN-EC joint Cooperation Committee (JCC). It promotes and keeps under review of the various cooperation activities envisaged in the Cooperation Agreement. Sub-committees had established for Trade and Investment, Economic and Industrial Co-operation, Science and Technology, Forestry, Environment, and Narcotics (www.aseansec.org, 2006).

Regarding further cooperation, EU-ASEAN has cooperation on 7 projects and founded a development of a business plan for the ASEAN-EC Management Centre in Brunei Darussalam. Five projects are on the worth of 55.5 million euro in the areas of environment, energy, intellectual property rights and education, two other programs

will be implemented on European Commission-ASEAN Regional Co-operation Program on Standards, Quality and Conformity Assessment and the ASEAN-EC Project on Regional Integration Support (APRIS). APRIS 's aim is to draw lessons from the experience of the EC in forging regional economic integration, to contribute to improving ASEAN mechanisms and communication systems, and to support capacity building activities for the ASEAN Secretariat and ASEAN Member Countries (www.aseansec.org, 2006).

4. The Experience of EU Integration, ASEAN and East Asian Regionalism

This chapter examines the experiences of EU integration, especially drawing the lessons for the ASEAN and East Asian regional integration from political and economic aspects, EU constitution and EU's Economic and Monetary Union. Then, the following section of the chapter explains the ASEAN's relations with the East Asian powers, such as Japan, China, even India through regional Summit and Forum. Significantly, it also involves the relations with the United States whose power strongly influences on the East Asian region since Wartime. At last but not least, this Chapter investigates the ASEAN's community policy toward external and internal conflicts in the South East Sea, and explains the possibility of if ASEAN would play leadership role in East Asian region.

4.1 EU Lessons for East Asian Regionalism

If passing the EU constitution in the member states, it might be another phase for the EU. Initially the purpose of European integration is political integration, but it still processes on economic integration. However, if EU constitution overpasses, it means the EU starts the political integration process. Nowadays the EU constitution was rejected by some EU member countries, including France and Netherlands. On the other hand, EU is successful on economic integration, and the momentous process is EU's Economic and Monetary Union. Thereby, it is necessary to draw from the lessons to the East Asian regionalism, both from abortive and prosperous cases.

4.1.1 The Lessons from EU Constitution

EU constitution draft was signed in 2004 by the EU's member countries, but was subject to ratification by the individual country. If approved, the Constitution would replace a series of treaties that bind together the 25-member union. However, in 2005, referendums in both France and Netherlands dealt a blow to European integration as voters overwhelmingly rejected the proposed EU Constitution. Nine countries, including Germany, Spain and Italy, have already approved the constitution via a parliamentary process. UK, Denmark and Luxembourg, which had planned to hold referendums, have now canceled them. The question is why EU Constitution failed, and how can both East Asian leaders be drawn from the lessons to avoid a similar debacle of East Asian regionalism in the future.

Four main lessons are to be considered. First, the massive rejection of the EU Constitution by French and Dutch voters appears to be lined to the fact that the process of European integration lies solely in the hands of the European elites (leaders, parliamentarians, political parties and, most importantly, the European Commission bureaucracy in Brussels) rather than in the hands of common voters. Popular sentiment against the commission is particularly strong, as a majority of French and Dutch voters believe that its members are chosen by their governments out of political compromise. Hence the commission is seen as being unaccountable to them, and the EU project itself is viewed as elitist and no longer "connected" to the common people (Cheow, 2005).

A fundamental lesson for East Asian leaders is the importance of building a regional bloc around the common citizenry, involving a majority of the people in the process of constructing the grouping's economic, social, cultural and political pillars. The

enactment of a Brussels-type bureaucracy aloof from the feelings and needs of voters must be avoided. East and Southeast Asia also seek greater accountability and good governance, thus a “progressive” institutional framework for East Asia is preferable (Cheow, 2005).

Secondly, the rapid and extensive eastward enlargement of EU has left’s Europe’s founding members (especial French and Dutch) with an acute case of indigestion. Although it’s central to consolidate Central Europe’s transition to markets and democracy, they view the EU Constitution as a “political project” aiming at absorbing the post-Cold War Central and Eastern European states into the union rather than bringing concrete benefits to the citizens of current members (Merlini, 2004). This brings to mind another lesson for East Asia: although a massive trade bloc might have the advantage of power projection onto the rest of the world, as it would easily comprise one-third of the world’s population, it should introduce into virtual benefits for each members (Kupchan, 2005).

The Third lesson: as a regional identity evolves, nationalist sentiments must be reduced, and harmonize the ethnic group. The EU has enjoyed some success in forging a common European identity, even in nationalistic France, where a majority of French says they believe in Europe even though they have rejected the proposed constitution (Cheow, 2005). However, there are still some conflicts among the ethnic groups. Europe’s traditional nation-states must urgently step up efforts to encourage ethnic tolerance and the integration of Muslim immigrants into the social mainstream. The social tensions awakened by immigration, by stoking opposition to the treaty, have played a major role in preventing the deepening union (Kupchan, 2005).

In Southeast Asia, it is beginning to build “ASEAN identity”, although massive heterogeneity on ethnic groups, even given the poor relations between Thailand and Cambodia, and the standoff between Indonesia and Malaysia (Cheow, 2005). On the other hand, Northeast Asians would have enormous difficulties trying to mold an “Asian identity” today. The reason is historical, territorial and political disputes; a wave of nationalism is sweeping through China, Japan, and the Koreas. Under these circumstances it would be impossible to mold an East Asian identity when it divides rather than unites these countries.

Fourthly, regional integration is always easier during good economic times, as the citizens of member countries are more open to accept regional projects. The adverse socio-economic situation in France has much to do with the strength of the “no” vote. Many French voters were concerned that cheap Polish, Hungarian or Slovak labor would cost them their jobs. Farmers and labor unions expressed their worries openly. The same as Netherlands many voters feared the constitution would result in wanton immigration and Dutch interests being threatened by the larger EU members, such as the UK, France and Germany(Cheow, 2005).

The final lesson for Asia is to choose the “correct” moment to launch its regional project and proceed decisively during good economic times. More must be done to reduce perceptions in smaller Asian countries that their more powerful neighbors could pose economic or political threats (Kupchan, 2005).

4.1.2 Model of EU’s Economic and Monetary Union

In 1999, eleven European countries adopted the euro as their common currency (Greece followed in 2001). This followed a long period of gradually tying their national currencies together more tightly by limiting exchange rate fluctuations among member countries, culminating in the European Monetary Union (EMU) (Horváth, 2002). The experience of Europe has raised the question as to whether countries in other regions of the world can and should follow a similar path towards adopting a common currency. Does Europe's experience provide any lessons about how to get a common currency?

Glick (2005) argued that East Asia, comparing to Europe, remains very different from Europe in ways that make it difficult to follow the European path. Four differences stand out. First, East Asian economies have much less in common than European nations generally do in terms of income levels, states of development, and economic structure. Secondly, East Asia is less economically self-contained than Europe. To be sure, as economies in East Asia have developed, but these countries still depend much more heavily on raw materials and intermediate components, these exports to the countries outside the region, thus it must be more concerned than Europe about exchange rate stability against currencies outside the region as well as within the region.

Thirdly, the two regions differ in terms of interest in political integration (Eichengreen, 2002). In Europe, a monetary union was achievable primarily because it was part of the larger process of political integration, while there is no apparent desire for political integration in East Asia. The fourth difference is that, on the contrast to Europe, East Asian governments appear much more suspicious of strong

supranational institutions. Early on, European countries were willing to contemplate compromises of national sovereignty to achieve the goal of greater integration. In contrast, in East Asia, sovereignty concerns have left governments reluctant to delegate significant authority to supranational bodies, at least so far (Glick, 2005).

The current circumstances, in contrast to Europe, in East Asia have not pursued formal trade liberalization as its first priority in integrating the region's economics. Europe pursued formal trade liberalization, first through a customs union and free trade area, well before it focused on monetary cooperation. In East Asia, formal trade liberalization has slower to materialize. Another key difference is the timing of liberalization capital accounts. Most European countries did not fully liberalize capital flows until the late 1980s or very early 1990s, after their domestic financial markets were well developed and the integration process was well along (Banducci, 2003). However, many countries in East Asia (China is a notable exception), liberalized their capital accounts before their financial markets were well developed.

The last one is that East Asia does not appear to have an obvious candidate for an internal anchor currency for a cooperative exchange rate arrangement. Most successful new currencies have been started on the back of an existing currency, establishing confidence in its convertibility, thus linking the old with the new. In the approach towards adoption of the euro, European exchange rates were tied to an internal anchor, the deutsche mark, whereas the choice of an internal currency anchor is not so clear in East Asia (Glick, 2005). The yen was an obvious candidate, but Japan's economic problems over the past decade and wide swings in the yen-dollar

exchange rate have lessened its appeal. As for China, its currency is not convertible for capital account transactions and its financial system is not well developed.

EMU adopted of the euro was a project that was fifty years in the making. In time, East Asia might also proceed along the same path, first with loose agreements to stabilize currencies, followed later by tighter agreements, and culminating ultimately in adoption of a common anchor—and, after that, maybe an East Asia dollar.

4.2 ASEAN and External Relations

The requirements of globalization, extra-regional cooperation is important toward the strategic role of ASEAN for promoting peace and prosperity in the larger Asia-pacific region. The ASEAN+3, which cements the ties between ASEAN and China, Japan, South Korea, is a loose grouping of East Asian countries. The political and economic interests served as motivation for East Asian cooperation, within annual ASEAN+ 3 Summit. On the other hand, in the purpose of balance the power in the East Asian region, the first East Asia Summit (ASEAN+3+3) was hold. At this time, the United States was not invited to attend, nevertheless, American's partial balancers India, Australia, and New Zealand were brought in to the geopolitical weight of the rise of China.

4.2.1 ASEAN Plus Three (China, Japan and South Korea)

The ASEAN Plus Three (ASEAN + 3), that is ASEAN ten were joined by the three most important economies in Northeast Asia, while the cooperation began in 1997 and institutionalized after two years at their third ASEAN Plus Three Summit in Manila. ASEAN + 3 is the most ambitious and comprehensive of the governmental efforts to

create an institutional framework to support East Asian regionalism (Wain 2000:4). Stubbs (2002:441) and some academics have claimed that ASEAN had the potential to become the dominant regional institution in East Asian. ASEAN + 3 is not only a call for economic cooperation, but also a search for elements of a new identity (Evans, 2005: 201). Meanwhile, as an institution, ASEAN + 3, like APEC before it, also has the double burden of promoting pragmatic, interest-based cooperation at the same time as building the rationale and instruments for deeper integration structured on some kind of “community” basis.

ASEAN + 3 can be categorized as a consultative process involving thirteen governments, and it does not yet have a permanent secretariat or facility (Abdullah, 2002). The first involves the heads of government and has included annual leaders’ meetings. The second involves ministerial-level meetings of economic and finance ministers. The third involves senior officials from ministries and agencies, including patent offices, science and the technology, and working groups. In addition, ASEAN + 3 has commissioned various nongovernmental study groups, including the East Asia Vision Group (EAVG), and others looking at region wide monetary integration and free trade (Evans, 2005).

Many obstacles to ASEAN + 3 success and progress are frequently recited, because of the diversity of cultures, political and economic systems. Comparing with EU, among the participating states of ASEAN + 3, there is no common political system, and there are enormous variations in administrative, technocratic, and intellectual capacity (Evans, 2005). On economic side, the inherent asymmetry between the economic

clout of ASEAN and the Northeast Asian three is considerable, with the combined GDP of the latter some nine times higher than the former.

As the political level, who can lead the ASEAN + 3 to process: the Flying Goose of Japan, the Rise of China or the Southeast Asian community ASEAN? It seems that no single country or region is capable of leading the process of ASEAN + 3. The three economic giants are through the negotiation and consultant to attain the interests and balance the regional power. Meanwhile, United States do not participate the ASEAN + 3, but it is also significant player in East Asian. It is arguable that USA is strong opposition of the ASEAN + 3, as in the case of the East Asian Economic Grouping and Asian Monetary Fund, would slow or stop its development (Evans, 2005).

After the Financial Crisis in Asia, 1997, the cooperation among the ASEAN + 3 far has been proceeding more rapidly on financial issues than trade matter (Yip, 2001:109). Financial cooperation, on the other hand, can proceed more quickly to some extent without discrimination against outsiders. ASEAN + 3 has already implemented a region-wide system of currency swaps to help countries in the region deal with possible future financial crises. This currency swap system will reinforce the surveillance mechanism that ASEAN has created to anticipate and head off future crises through sophisticated early-warning indicators (Yip, 2001)

4.2.2 East Asia Summit (ASEAN+3+3)

Ranged against this ASEAN + 3 skepticism is the widespread view that East Asia is an idea whose time has come. Several leaders are calling for the transformation of ASEAN + 3 into an East Asian Summit process, thus moving toward a new regional

structure rather than just regional cooperation. The Malaysia brought the ten ASEAN as well as the “plus three” states (China, Japan and South Korea) and Australia, New Zealand, and India together to hold the first East Asian Summit (EAS) on December 14, 2005 in Kuala Lumpur. Meanwhile Russia was welcome as well as observer; however, making it all the more striking that the US was not invited to the Summit. The purpose of this Summit is to create a new, loosely united regional grouping to work together on the Asia’s economic, security and political problems.

The concept of East Asian Community has been accepted by the 13 East Asian countries and become a common understanding. There are mainly three factors for them. First, with the economic globalization as backdrop regional grouping peace is accelerating. Regional economic growing up also needs to look for support in region. The Second factor is the push of historical events; particularly, the Asian financial crisis in 1997 awakened the East Asian countries. The regional countries feel painfully and the necessity of cooperation in East Asian so as to prevent the similar events. The third one is the enhancement of East Asian cooperation and the strengthening of the function of the regional mechanisms, which accelerate to set up free trade zone so as to deepen regional cooperation (Wu, 2004).

Although the United States had not been invited to attend, Some view the membership issues in EAS, India, Australia, and New Zealand as a partial balancer to the geopolitical weight of China within the grouping (Vaughn, 2005). America reckons that China has intention to lead EAS process, thus it allied with Japan, who always stands with America, and lobby for America in the ASEAN, and they are insisting that the two Asian-Pacific countries and a South Asian countries should be brought

into the process, arguing that the more open the new organization, the less likely it is to become a vehicle for Chinese influence (Walker, 2005). For the ASEAN side, Prime Minister Lee Hsien Loong has stated “ASEAN does not want to be exclusively dependent on China, and does not want to be forced to choose sides between China and the United States or China and Japan”, and he also noticed that the rivalry, antagonism and conflict are inevitable if ASEAN choose any sides (Li, 2005). ASEAN states observe the ten countries’ community is much weaker than Japan and China, thus Singapore, Indonesia and some nations broadly agree these recommendations to balance power in the region.

4.2.3 American Perspective on the East Asia Regionalism

The power of United States influence in Southeast Asia begins the War time, and continuing forward. The United States guarantees the regional security and also provides the economic supports.

At this EAS, the United States had not played a role in the process nor had it been invited to attend, nor even to be an observer. What is of concern to some analysts is that this appears to be a potential challenge to American involvement in what could become the dominant regional order. Some fear that by shifting emphasis from APEC, an organization in which the United States has played a leading role and which encompasses the broader Pacific Rim, to an EAS, in which the United States appears likely to play no direct role, America’s overall position could become relatively less influential and the United States could potentially be excluded from preferential trade agreements (Vaughn, 2005).

Just beneath the surface, US policymakers often view ASEAN as turgid and captive to the least common denominator. Moreover, political differences with some member states, particularly Myanmar, make a closer embrace with ASEAN difficult in the near term (the Stanley Foundation, 2004). The United States is reluctant to move away from its longstanding bilateral approach to Southeast Asia toward more extensive and concrete cooperation with ASEAN. Thereby, USA is disinclined to sign the Treaty of Amity and Cooperation (TAC) which is the basic qualification to attend East Asian Summit.

Moreover, Americans view ASEAN-led EAS is still too weak to force Asia to create East Asian Community without US (Sun, 2005). On the other hand, Americans also reckon its capability to control the East Asian region, such as Singapore, the Philippines and these countries have close tie with the United States on economic and security aspects, while USA also has certain power influence on them (StrategyUnit, 2005). Significantly, while Americans notice the rise of China has potential to dominant Asian systems, USA locked into Asia to provide a balance against Beijing so that USA allies Japan to bring India, Austria and New Zealand into the first EAS.

4.3 The Rise of ASEAN?

ASEAN was becoming a more powerful voice in regional affairs. Although the internal disagreement on the South China Sea and the given rise to divergent foreign policy positions in ASEAN so as for the detriment of ASEAN unity, ASEAN has effort to deal with the conflicts under the framework to promote diverse interests and values and ensure regional security and peace. ASEAN have succeeded on multilateral talks from the Indonesia Workshops on Managing Potential Conflicts in

the South China Sea to the ASEAN-China Dialogue and the ASEAN Regional Forum (ARF).

One of questions is raised: who is or will be the leader in the East Asian regionalism, the rise of China, and the “flying goose” model’s Japan or the Southeast Asian community? China have undergone a transformation, while China’s foreign policy also approaches to multilateral institutions, and the most significant is that China has many trade ties with East Asian countries. Japan’s economy grows slowly these years, but it is still a great economic entity in East Asian. Moreover, Japan always allies with US in the East Asian region, not only political, but also regional security under the Japan-US security treaty. The economy of Southeast Asia was booming dramatically which are called as New Industry Countries (NICs), however the economic was weak after the economic crisis after 1997-98, whereas it is cohesion the ASEAN member-states as a common interest community.

4.3.1 Geopolitics and the Conflicts of the South China Sea

South China Sea is one issue which has the potential conflicts. Zha Daojiong and Valencia (2001) pointed out that inaction on the South China Sea disputes creates instability and the potential for violent conflict, while Leifer (1999:38) argues that diplomatic paralysis makes it difficult for ASEAN to address the overlapping claims to jurisdiction in the South China Sea. Thus, comparing with EU common foreign policy, ASEAN’s ability to maintain a common stand on the South China Sea issues depends on the level of diplomatic integration associated with unity (Odgaard, 2003).

ASEAN is an entity marked by internal disagreement on the South China Sea. Issues of cooperation give rise to divergent foreign policy positions in ASEAN, and to the detriment of ASEAN unity (Odgaard, 2003). First, the opinions of ASEAN members-states differ on whether the South China Sea dialogue should result in tangible cooperation. Secondly, they quarrel over the scope of a code of conduct. Thirdly, the ASEAN member-states disagree on the level of US and Chinese involvement that is desirable for maintaining a regional balance of power.

The South China Sea disputes are conflicts of jurisdiction over territory and maritime space (Odgaard, 2003). As such, they are not formally an ASEAN issue, but only involve the individual member state. The first of these positions is that the Malaysia which is for the status quo state, and favors continued US presence despite a critical approach to US economic and political interference in Southeast Asia, and advocating a policy of appeasement towards China. Indonesia is the midwife, maintaining friendly, but guarded, relations with the USA and China and advocating that peace and stability be achieved through extensive cooperation.

Vietnam and the Philippines form the suspicious activists, fearing that Chinese hegemonic policies will target them (Odgaard, 2003). They are heavily engaged in establishing dialogue and a code of conduct, but still doubt that ASEAN is able to engender genuine cooperation with China. Thailand and Singapore are the armed activists, supporting the view that peace and stability through cooperation is possible, provided that US military balancing with China is maintained. Consequently, their concern is to persuade China that US-Southeast Asian military cooperation is not aimed at containing China. The other four states, Myanmar, Laos, Cambodia and

Brunei constitute the followers on the South China Sea issues. As a rule, they avoid adopting independent stances.

On the other hand, the South China Sea is a source of ASEAN unity. All ASEAN member-states on issues of Sino-Southeast Asian disputes are not threats to ASEAN's survival, whereas they provide opportunities to confirm that the ASEAN states remain committed to a political framework that allows them to promote diverse interests and values, as long as the common interest in regional peace and stability is not jeopardized (Odgaard, 2003).

ASEAN was becoming a more powerful voice in regional affairs. At the same time, ASEAN and China have endorsed the multilateralism framework ensured that the dispute would be negotiated on a regional platform with all claimants (Hutchison, 2004). Thereby, the participation of all ASEAN members (except Myanmar), in the informal dialogue on the South China Sea and the ASEAN's states' explicit endorsement of the dialogue process in the 1992 ASEAN declaration on the South China Sea indicated that they were in agreement with that such a dialogue is a feasible way of establishing coexistence with China in the absence of formal dispute resolution mechanisms (Odgaard, 2003). They have succeeded in chronicling the evolution of multilateral talks from the Indonesia Workshops on Managing Potential Conflicts in the South China Sea to the ASEAN-China Dialogue and the ASEAN Regional Forum (ARF) (ASEAN, 1992; Second Workshop on Managing Potential Conflicts in the South China Sea, 1991).

Similarly, ASEAN is also united in supporting the establishment of a code of conduct

to solve the dispute internal dispute on the South China Sea. ASEAN put emphasis on restrictions of violence, such as the non-use of force and consultations between defense officials, and the application of international legal provisions pertaining to the South China Sea (Hutchison, 2004). For example, the Philippines claims features occupied by Malaysia. Consequently, the Philippines had advocated a settlement that involves declaring the disputed area common fishing ground, while Malaysia is happy with a model based on existing occupations.

4.3.2 The Leadership of East Asia: ASEAN, China or Japan?

China is a very large neighbor country of Southeast Asian; it is near but not to be a major factor in the Southeast Asian equation and not to be viewed with some trepidation (Marvin, 2000: 4). Historically, China had never been seeking imperial control over Southeast Asia, and under the European countries' colonial epoch, China ceased to be a serious geopolitical factor in the region. However, after Second World War, Communist revolutionary movements brought China to reappear the power in the region marked the reappeared power in the Southeast Asia, which coupled with the presence of economically influential Chinese populations in nearly Southeast Asian cities.

Southeast Asian states' perceptions of China have undergone a transformation, while China's foreign policy also approaches to multilateral institutions. Southeast Asian states' views of China have evolved as China has domestic reformed and the economic rise dramatically, also been less assertive in the South China Sea, and has embarked on diplomatic and trade initiatives (Vaughn, 2005). China has evolved from viewing multilateral institutions in Southeast Asia as potentially constraining to

viewing them as useful for promoting China's foreign policy (Cheng-Chwee, 2005).

On the other hand, some view the current drive for the creation of an East Asian Community as having roots in the perceived failure for the United States to effectively respond to the 1997-98 Asian financial crisis and the functions of APEC are limited (Sneider, 2005). At that time, the United State's response was not viewed positively by regional states, while China gained much favor by not devaluing its currency and by providing a reported \$US 4 billion in aid to affected countries. China is also developing defense cooperation with Indonesia, Malaysia, and the Philippines to make energy transportation security, and it also explores the cured oil in Southeast Sea with Vietnam and the Philippines to alleviate the regional conflicts (Vaughn, 2005).

Furthermore, the rapid growth in trade between China-ASEAN and regional states provides the economic ballast for a broader relationship that increasingly encompass political and security linkages as well. Comparing 2003, China-ASEAN trade was 30% increase in 2004 levels, which up to \$100 billion (Beck, 2005). China and ASEAN have signed a Free Trade Agreement and are negotiation to reduce tariffs to between zero and 5 % on certain goods by 2010 and by 2015 for poorer members of ASEAN (Vaughn, 2005). Although the burgeoning of China's economy in the recent years has been welcomed by some Southeast Asian businessmen as a major new investment opportunity, someone fears because of the potent competition from emergent, ultra-low-wage Chinese industries.

The prevailing uneasiness and ambivalence concerning China are evident in official statements and actions in some suggestive public opinion data as well. Among the

Southeast Asian governments with the prevailing strategy is to draw China into a role as a rising but status quo power by binding China to the rest of the region with ties of mutual economic advantage (Marvin, 2000). In addition, according to USIA polls, about 45 percent of respondents in Thailand and the Philippines view China as an “expansionist power”, but only a small percentage with both countries regard China as a direct security threat. A similar survey made by Far Eastern Economic Review also found majorities ranging from 53 percent in Thailand to 80 percent in Indonesia favoring a “greater Chinese leadership role in world affairs” (Marvin, 2000).

From Southeast Asia’s perspective, the best China is one that is domestically preoccupied, continuing market opening as the last decades. The fear is that as China gets its domestic house in order, gains economic and military strength, and is largely freed of its historic security concerns to Japan, it will feel increasingly free to turn its energies southward (Marvin, 2000).

The Rise of China, especially the economy that fears by the neighbor countries, Japan and South Korea who view China as partner even rivalry. In economy, China was not able to challenge Japan and South Korea as sources of technology and investment, it quickly posed a challenge, though, to those recipients of FDI that had been “ranked” ahead of China beginning in 1992 (Macintyre, 2005:86-87).

Japanese impacts into the East Asian region traced back to the Second World War, when Japan invaded and occupied many East Asian countries, with the political purpose to build the New Asia Co-prosperity Sphere. After the war, Japanese labors under the shadow of historically recent memories of its often harsh wartime rule over

the region. These memories, however, vary significantly by demography, ethnicity, and location. In China and South Korea, both government and people outrage with Japan, especially, the Prime Ministry Kozumi worship the War Shrine frequently, which trigger off the nationalism and patriotism in the East Asian. They deem Japan's government leader must apologize for the fault in the wartime rather than worship the war criminal.

Controversially, in Southeast Asian, some populations, like the overseas Chinese and the Filipinos, experienced an often brutal occupation. But others like the Burmese and Indonesians recall the Japanese invasion as the critical event that broke the hold of European colonialism in the region and in some instances gave local nationalists their first taste of political power. Thailand *effectively acquiesced* to Japanese occupation and thereby escaped its most adverse effects. Since the war, Japan's interaction with Southeast Asia has been confined largely to economics—as trader, investor and aid provider (Marvin, 2000).

The Japan-led East Asian system is during the 1985 to 1994, and someone use the familiar “flying goose” label to describe this period. There was perceived to be a clear hierarchy of economic development in East Asia at that time; Japan was seen to be the key source of both capital and technology; significant aspects of the Japanese economic policy were seen to be not only successful but also replicable (Macintyre, 2005:78-79). After 1994, because of the bursting of the Japanese “bubble economy”, the flying goose pattern was disintegrated. First, Japanese domestic growth slowed, and Japanese corporations became increasingly reluctant to export jobs. Secondly, Japanese banks dramatically slowed the expansion of their lending in East Asia, and

in some cases they began recalling loans to compensate in increasingly shaky fiancés at home (Macintyre, 2005:85-86). Thus the countries of East Asia were left to search for other models and definitions of their self-interest.

Powers of Japan is much of Southeast Asia's economic growth, but it plays no direct security role in the region, which favored by the Southeast Asia states (Marvin, 2000). The Southeast Asian governments trust that Japan will be content to leave to the United States the task of protecting the vital Southeast Asian sea-lanes through which the bulk of Japan's oil supplies are transported if the US-Japan Security Treaty remains viable. However, the region still fear is that if Japan ever feels it must use its own Navy for the purpose to energy security, it will provoke China into military countermeasures (Marvin, 2000).

ASEAN is a community, which the member-state historically colonized by the West countries or some parts occupied by the Japan during the Wartime, meanwhile the diversity cultural, religions, ethnicity, political system, within continuing the conflicts between these countries, result in lack of intra or extra-Southeast Asian cooperation. Through the 1970s, except for a few halfhearted efforts at collaboration on joint investment projects and a very limited preferential trade agreement among ASEAN states, these countries mostly were overwhelmingly domestic. In the half of the 1980s, the resource-and labor-rich economies of Southeast Asia like Indonesia, became increasingly engaged in multilateral economic cooperation across Asia. This was a novel development (Macintyre, 2005:80-81)

In the early 90s, ASEAN member-states accelerate the regional economic cooperation.

Indonesia joined the APEC in 1989, whose interest in APEC lays in its potential to promote regional trust and stability and loosely facilitate a peaceful pro-commerce regional environment (Macintyre, 2005). In addition, Southeast Asian countries agreed in 1992 to a schedule for creation of the ASEAN Free Trade Area (AFTA) in an effort to prevent ASEAN from being completely overshadowed by the United States, Japan, and increasing China (Macintyre, 2005). During 80s and mid-90s, economic was booming dramatically so that these founding ASEAN member states are called as New Industry Countries (NICs).

However, the economic crisis of 1997-98 radically intensified this trend. APEC was seem to be irrelevant to addressing the country's dire problems, the United States was uncompromising in its insistence on the strict economic remedies articulated by the IMF, and Japan was unable or willing to provide a real alternative source of policy leadership (Macintyre, 2005: 91-92). More fundamentally, Indonesia's political and economic situation had been utterly destabilized internally, simultaneity, in the intra region domestically political challenged and troublous in some countries, and extra-region conflicts also increased.

On the other hand, ASEAN-led Southeast Asia countries who are in the wake of the financial crisis, any serious consideration of regional cooperation and coordination economic polices has been pushed well down the agenda of national priorities. Additionally, in the longer run, some member states in ASEAN, especially NICs underling interests in deepening economic linkages across Asia will reassert themselves (Macintyre, 2005). Southeast Asian participants saw ASEAN's inspirational character as strength rather than a weakness. ASEAN's loose bloc

arrangement has enabled it to deal with China and Japan with greater confidence than it would on a bilateral basis. Indeed, recent strides in Asian regionalism in general—epitomized by the ASEAN Plus Three arrangement (China, Japan, and South Korea)—are due in large part to ASEAN's initiative (The Stanley Foundation, 2004).

In Extra-ASEAN, in view of dynamics with regional powers, ASEAN has proactively sought to bind Southeast Asian together with China, Japan, and South Korea in APT grouping. Combined with India, Australia and New Zealand admission to the ASEAN-led EAS, ASEAN is attempting to balance powers against one another, as well as to keep Japan engaged in the region as China rises rapidly. In addition, to develop regional relationship would make substantial parts of Southeast Asia appears to be leaning away from the United States in Southeast Asia when the USA engaged the war in Iraq (The Stanley Foundation, 2004). Intra-ASEAN, however, ASEAN's consensus structure was adopted for the very purpose of discouraging the emergence of a clear leader. Regardless, the consensus requirement, instead, ASEAN is more likely to follow a model, which is one country may lead a subgroup of member states, or may emerge on top to manage a specific situation. Vietnam is clearly becoming the spokesman for the second-generation and poorer ASEAN members (The Stanley Foundation, 2004). Indonesia and Thailand are likely to compete more overtly for leadership, while Singapore will endeavor to provide low-key intellectual direction. Therefore, this leadership model which makes ambitious plans for greater regional cooperation, even integration, more difficult.

5. Conclusion

This paper used integration theory to analyze the European integration and Southeast Asian integration in East Asian regionalism respectively. EU is a supranational community, whose characteristic is between confederation and federation, whereas ASEAN is far different from EU. As far as policy networks or communities in Southeast Asia are concerned, the increase in the number of summits and formal ministerial conferences make ASEAN more like the intergovernmental aspect, however, ASEAN is not a supranational body and it does not possess a formal legal identity.

Furthermore, EU completes the full economic integration. The community unification of monetary, fiscal, social countercyclical policies; the common currency calculates in the member-states. ASEAN, however, is still at the basic economic integration; it is just realized that it is necessary to establish the FTA and common external tariffs in the region in pressure of globalization.

On the other hand, on the European integration process, EU member-states identify with the European identity, because they consent that they share the common history, culture, religion and though evolution, which are part of the prerequisites to join EU. Besides, the new entered member-states are called "return to Europe". Nevertheless, the identity in Southeast Asian is more complexity than in EU. Although the ASEAN bring forward the "one Southeast Asian", or "ASEAN values", it is very fragmented due to history, culture, religion, ethics, languages and so on. Moreover, it is difficult to form a common identity in the East Asian region, because the ramification of two

powerful Sinic cultures: Chinese and Japanese.

Regional integration is concomitant the enlargement. In EU, it takes place in the regional, so called intra-enlargement. From six founding members to twenty-five, but the enlargement still on the process in the European regional, and some Eastern European countries applied for joining EU, these who are aspiration to promote the competition in virtue of powerful region. In contrast, the enlargement in ASEAN is not only intra-enlargement, but also extra-enlargement. The intra-enlargement is completed in ASEAN, while the extra- is increased. Because ASEAN is not strong enough to influence on the East Asian region, it should cooperation or ally with the regional powers to strengthen the regional competition. Particularly, after the Economic Crisis, ASEAN realized it is necessary to accelerate intra- and extra-regional cooperation.

The future development of regional integration on the progress of globalization both in EU and ASEAN is distinct. EU succeeds, because of the dispel the conflicts in stead of cooperation between France and Germany which is founding the basic for the community, whereas ASEAN formed by regional consciousness within the purpose of eliminate regional conflicts and ensure the regional security. The influences of regional powers are not only from intra-ASEAN, also from extra-ASEAN, Japan, China and the United States.

EU constitution was rejected in the France and Netherlands, which indetermination the future development. Similarity, the First East Asian Summit not only original ASEAN + 3 members, but also added the Asian Pacific countries, Australia, New Zealand, and India. The future in the ASEAN is the co-influence both by the

intra-member states and extra Asian countries.

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Appendix 1. Ethnic Groups, Religions and Languages in ASEAN member states

(Source: <http://www.odci.gov>, 2006; <http://www.aseasec.org>, 2006)

Country	Ethnic Groups	Religions	Languages
Brunei Darussalam	Malay 67%, Chinese 15%, indigenous 6%, other 12%	Muslim (official) 67%, Buddhist 13%, Christian 10%, indigenous beliefs and other 10%	Malay, English
Cambodia	Khmer 90%, Vietnamese 5%, Chinese 1%, other 4%	Theravada Buddhist 95%, other 5%	Khmer (official) 95%, French, English
Indonesia	Javanese 45%, Sundanese 14%, Madurese 7.5%, coastal Malays 7.5%, other 26%	Muslim 88%, Protestant 5%, Roman Catholic 3%, Hindu 2%, Buddhist 1%, other 1%	Bahasa Indonesia
Lao PDR	Lao Loum (lowland) 68%, Lao Theung (upland) 22%, Lao Soung (highland) including the Hmong and the Yao 9%, ethnic Vietnamese/Chinese 1%	Buddhist 60%, animist and other 40% (including various Christian denominations 1.5%)	Lao
Malaysia	Malay 50.4%, Chinese 23.7%, Indigenous 11%, Indian 7.1%, others 7.8%	Muslim, Buddhist, Daoist, Hindu, Christian, Sikh; note: Shamanism is practiced in East	Melayu, English, Chinese, Tamil

			Malaysia	
Myanmar	Burman 68%, Shan 9%, Karen 7%, Rakhine 4%, Chinese 3%, Indian 2%, Mon 2%, other 5%	Buddhist 89%, Christian 4% (Baptist 3%, Roman Catholic 1%), Muslim 4%, animist 1%, other 2%		Myanmar
The Philippines	Tagalog 28.1%, Cebuano 13.1%, Ilocano 9%, Bisaya/Binisaya 7.6%, Hiligaynon Ilonggo 7.5%, Bikol 6%, Waray 3.4%, other 25.3%	Roman Catholic 80.9%, Evangelical 2.8%, Iglesia ni Kristo 2.3%, Aglipayan 2%, other Christian 4.5%, Muslim 5%, other 1.8%, unspecified 0.6%, none 0.1%		Filipino, English, Spanish
Singapore	Chinese 76.8%, Malay 13.9%, Indian 7.9%, other 1.4%	Buddhist 42.5%, Muslim 14.9%, Taoist 8.5%, Hindu 4%, Catholic 4.8%, other Christian 9.8%, other 0.7%, none 14.8%		English, Malay, Mandarin, Tamil
Thailand	Thai 75%, Chinese 14%, other 11%	Buddhist 94.6%, Muslim 4.6%, Christian 0.7%, other 0.1%		Thai
Vietnam	Kinh (Viet) 86.2%, Tay 1.9%, Thai 1.7%, Muong 1.5%, Khme 1.4%, Hoa 1.1%, Nun 1.1%, Hmong 1%, others 4.1%	Buddhist 9.3%, Catholic 6.7%, Hoa Hao 1.5%, Cao Dai 1.1%, Protestant 0.5%, Muslim 0.1%, none 80.8%		Vietnamese

Appendix 2. Ethnic Groups, Religions and Languages in EU member states

(Sources: <http://www.odci.gov>, 2006)

Country	Ethnic Groups	Religions	Languages
Austria	Austrians 91.1%, former Yugoslavs 4% (includes Croatians, Slovenes, Serbs, and Bosniaks), Turks 1.6%, German 0.9%, other or unspecified 2.4% (2001 census)	Roman Catholic 73.6%, Protestant 4.7%, Muslim 4.2%, other 3.5%, unspecified 2%, none 12%	German, Slovene, Croatia, Hungarian
Belgium	Fleming 58%, Walloon 31%, mixed or other 11%	Roman Catholic 75%, Protestant or other 25%	Dutch, French, German less than 1%, legally bilingual (Dutch and French)
Cyprus (Greek Cypriot Area)	Greek 77%, Turkish 18%, other 5%	Greek Orthodox 78%, Muslim 18%, Maronite, Armenian Apostolic, and other 4%	Greek, Turkish, English
Czech Republic	Czech 90.4%, Moravian 3.7%, Slovak 1.9%, other 4%	Roman Catholic 26.8%, Protestant 2.1%, other 3.3%, unspecified 8.8%, unaffiliated 59%	Czech
Denmark	Scandinavian, Inuit, Faroese, German, Turkish, Iranian, Somali	Evangelical Lutheran 95%, other Protestant and Roman Catholic 3%, Muslim 2%	Danish, Faroese, Greenlandic (an Inuit dialect), German, <i>note</i> : English is the predominant second language

Estonia	Estonian 67.9%, Russian 25.6%, Ukrainian 2.1%, Belarusian 1.3%, Finn 0.9%, other 2.2%	Evangelical Lutheran 13.6%, Orthodox 12.8%, other Christian (including Methodist, Seventh-Day Adventist, Roman Catholic, Pentecostal) 1.4%, unaffiliated 34.1%, other and unspecified 32%, none 6.1%	Estonian, Russian
Finland	Finn 93.4%, Swede 5.7%, Russian 0.4%, Estonian 0.2%, Roma 0.2%, Sami 0.1%	Lutheran National Church 84.2%, Greek Orthodox in Finland 1.1%, other Christian 1.1%, other 0.1%, none 13.5%	Finnish , Swedish
France	Celtic and Latin with Teutonic, Slavic, North African, Indochinese, Basque minorities	Roman Catholic 83%-88%, Protestant 2%, Jewish 1%, Muslim 5%-10%, unaffiliated 4%	French
Germany	German 91.5%, Turkish 2.4%, other 6.1% (made up largely of Greek, Italian, Polish, Russian, Serbo-Croatian, Spanish)	Protestant 34%, Roman Catholic 34%, Muslim 3.7%, unaffiliated or other 28.3%	German
Greece	Greek 98%, other 2% <i>note: the Greek Government states there are no ethnic divisions in Greece</i>	Greek Orthodox 98%, Muslim 1.3%, other 0.7%	Greek, English, French
Hungary	Hungarian 92.3%, Roma 1.9%, other or unknown 5.8%	Roman Catholic 51.9%, Calvinist 15.9%, Lutheran 3%, Greek Catholic 2.6%, other Christian 1%, other or	Hungarian

Ireland	Celtic, English	unspecified 11.1%, unaffiliated 14.5%	English, Irish
Italy	Italian (includes small clusters of German-, French-, and Slovene-Italians in the north and Albanian-Italians and Greek-Italians in the south)	Roman Catholic 88.4%, Church of Ireland 3%, other Christian 1.6%, other 1.5%, unspecified 2%, none 3.5%	Italian, German, French, Slovene
Latvia	Latvian 57.7%, Russian 29.6%, Belarusian 4.1%, Ukrainian 2.7%, Polish 2.5%, Lithuanian 1.4%, other 2%	predominately Roman Catholic with mature Protestant and Jewish communities and a growing Muslim immigrant community	Latvian, Russian, Lithuanian
Lithuania	Lithuanian 83.4%, Polish 6.7%, Russian 6.3%, other or unspecified 3.6%	Lutheran, Roman Catholic, Russian Orthodox	Lithuanian, Russian, Polish
Luxembourg	Celtic base (with French and German blend), Portuguese, Italian, Slavs (from Montenegro, Albania, and Kosovo) and European (guest and resident workers)	Roman Catholic 79%, Russian Orthodox 4.1%, Protestant (including Lutheran and Evangelical Christian Baptist) 1.9%, other or unspecified 5.5%, none 9.5%	Luxembourgish (administrative language), French (administrative language)
Malta	Maltese (descendants of ancient Carthaginians and Phoenicians, with strong elements of Italian and	87% Roman Catholic, 13% Protestants, Jews, and Muslims	Maltese, English

	other Mediterranean stock)		
Netherlands	Dutch 83%, other 17% (of which 9% are non-Western origin mainly Turks, Moroccans, Antilleans, Surinamese, and Indonesians)	Roman Catholic 31%, Dutch Reformed 13%, Calvinist 7%, Muslim 5.5%, other 2.5%, none 41%	Dutch, Frisian
Poland	Polish 96.7%, German 0.4%, Belarusian 0.1%, Ukrainian 0.1%, other and unspecified 2.7%	Roman Catholic 89.8% (about 75% practicing), Eastern Orthodox 1.3%, Protestant 0.3%, other 0.3%, unspecified 8.3%	Polish
Portugal	homogeneous Mediterranean stock; citizens of black African descent who immigrated to mainland during decolonization number less than 100,000; since 1990 East Europeans have entered Portugal	Roman Catholic 94%, Protestant	Portuguese, Mirandese
Slovakia	Slovak 85.8%, Hungarian 9.7%, Roma 1.7%, Ruthenian/Ukrainian 1%, other and unspecified 1.8%	Roman Catholic 68.9%, Protestant 10.8%, Greek Catholic 4.1%, other or unspecified 3.2%, none 13%	Slovak, Hungarian, Roma, Ukrainian
Slovenia	Slovene 83.1%, Serb 2%, Croat 1.8%, Bosniak 1.1%, other or unspecified 12%	Catholic 57.8%, Orthodox 2.3%, other Christian 0.9%, Muslim 2.4%, unaffiliated 3.5%, other or unspecified 23%, none 10.1%	Slovenian, Serbo-Croatian
Spain	composite of Mediterranean and Nordic types	Roman Catholic 94%, other 6%	Castilian Spanish, Catalan, Galician, Basque
Sweden	indigenous population: Swedes and Finnish and	Lutheran 87%, Roman Catholic,	Swedish, small Sami- and

	Sami minorities; foreign-born or first-generation immigrants: Finns, Yugoslavs, Danes, Norwegians, Greeks, Turks	Orthodox, Baptist, Muslim, Jewish, Buddhist	Finnish-speaking minorities
United Kingdom	white (English 83.6%, Scottish 8.6%, Welsh 4.9%, Northern Irish 2.9%) 92.1%, black 2%, Indian 1.8%, Pakistani 1.3%, mixed 1.2%, other 1.6%	Christian (Anglican, Roman Catholic, Presbyterian, Methodist) 71.6%, Muslim 2.7%, Hindu 1%, other 1.6%, unspecified or none 23.1%	English, Welsh, Scottish

Appendix 3. Economic Indicators of ASEAN countries

(Sources: ASEAN Statistical Yearbook, 2005; <http://www.odci.gov>)

Country	Population, Thousand (2005 est.)	GDP-purcha sing power parity (USD) billion (2004 est.)	GDP-real growth rate (%) (2004 est.)	GDP-per capita purchasing power parity (USD) (2004 est.)
Brunei Darussalam	383.4	6.842 (2003)	3.2	23,600 (2003)
Cambodia	13,872	4,215	5.4	2,000
Indonesia	219,142	827.4	5.1	3,500
Lao PDR	5,904	11.28	5.5	1,900
Malaysia	26,207	229.3	7.1	9,700
Myanmar	56,003	74.3	5.0	1,700
The Philippines	84,241	430.6	5.9	5,000
Singapore	4,296	120.9	8.4	27,800
Thailand	64,994	524.8	6.1	8,100
Vietnam	83,156	227.2	7.7	2,700
ASEAN	558,200	--	--	--

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(Sources: ASEAN Statistical Yearbook, 2005; <http://www.odci.gov>)

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ASEAN	558,200	--	--	--

Appendix 5 Economic Indicators of EU 25 member states

(Sources: EU Statistical Yearbook, 2005; <http://www.odci.gov>)

Country	Population, Thousand (2004 est.)	GDP-purchasing power parity (USD) billion (2004 est.)	GDP-real growth rate (%) (2004 est.)	GDP-per capita purchasing power parity (USD) (2004 est.)
Austria	8,140.1	255.9	1.9	31,300
Belgium	10,396.4	316.2	2.6	30,600
Cyprus	730.4	15.71	3.2	20,300
(North Cyprus)		4.54	2.6	7,135
Czech Republic	10,211.5	172.2	3.7	16,800
Denmark	5,397.6	174.4	2.1	32,200
Estonia	82,531.7	19.23	6.0	14,300
Finland	5,219.7	151.2	3.0	29,000
France	59,900.7	1.737	2.1	28,700
Germany	82,531.7	2.362	1.7	28,700
Greece	11,041.1	226.4	3.7	21,300
Hungary	10,116.7	149.3	3.9	14,900
Ireland	4,027.7	126.4	5.1	31,900
Italy	57,888.2	1.609	1.3	27,700
Latvia	2,319.2	26.53	7.6	11,500
Lithuania	3,445.9	45.23	6.6	12,500
Luxembourg	451.6	27.27	2.3	58,900
Malta	399.9	7.223	1.0	18,200
Netherlands	16,258.0	481.1	1.2	29,500
Poland	38,190.6	463	5.6	172,000
Portugal	10,474.7	188.7	1.1	17,900

Slovakia	5,380.1	78.89	5.3	14,500
Slovenia	1,996.4	39.41	3.9	19,600
Spain	42,345.3	937.6	2.6	23,300
Sweden	8,975.7	255.4	3.6	28,400
United Kingdom	59,673.1	1,782	3.2	29,600
EU	456,863.3	11.65 trillion	2.4	26,900