

# ASEAN Integration Process as a Model of Successful Regional Integration

**Muhammad Indrawan Jatmika**

*Department of International Relations  
UPN "Veteran" Jawa Timur*

*email: m.indrawan.hi@upnjatim.ac.id*

## **ABSTRACT**

*The aim of this study is to provide a comprehensive understanding of successful regional integration by looking at the ASEAN regional integration process as the main case study. Previous research has explained that successful regional integration is indicated by success in increasing economic levels, inter-state linkages that support the achievement of political stability, and cultural linkages that encourage the creation of a mutual identity. This paper seeks to describe how ASEAN's efforts to achieve regional integration success. The three interconnected causal factors of regional integration theory—increasing interdependence between states, organizational capacity for resolving disputes, the emergence of international legal systems, and the states' expectation that supranational rules will eventually supplant national regulatory systems—led to the formation and the development of ASEAN. ASEAN believes that by implementing the ASEAN Community, which is supported by the three pillars of the ASEAN Economic Community, ASEAN Political-Security Community, and ASEAN Socio-Cultural Community, they can achieve all forms of integration through the process, including the economic, political, and socio-cultural integration.*

**Keywords:** ASEAN, Integration, economic, cultural, stability

*Tujuan dari penelitian ini adalah untuk memberikan pemahaman yang komprehensif mengenai integrasi regional yang berhasil dengan melihat proses integrasi regional ASEAN sebagai studi kasus utama. Penelitian sebelumnya telah menjelaskan bahwa integrasi regional yang sukses ditandai dengan keberhasilan dalam meningkatkan tingkat ekonomi, hubungan antar negara yang mendukung tercapainya stabilitas politik, dan hubungan budaya yang mendorong terciptanya identitas bersama. Tulisan ini berusaha untuk menjelaskan bagaimana upaya ASEAN dalam mencapai keberhasilan integrasi regional. Tiga faktor penyebab yang saling berhubungan dalam teori integrasi regional - meningkatnya saling ketergantungan antar negara, kapasitas organisasi untuk menyelesaikan perselisihan, munculnya sistem hukum internasional, dan ekspektasi negara bahwa aturan supranasional pada akhirnya akan menggantikan sistem peraturan nasional - mendorong terbentuknya dan berkembangnya ASEAN. ASEAN percaya bahwa dengan mengimplementasikan Komunitas ASEAN, yang didukung oleh tiga pilar yaitu Komunitas Ekonomi ASEAN, Komunitas Politik-Kemampuan ASEAN, dan Komunitas Sosial-Budaya ASEAN, mereka dapat mencapai semua bentuk integrasi melalui proses tersebut, baik integrasi ekonomi, politik, maupun sosial-budaya.*

*Kata kunci: ASEAN, Integrasi, ekonomi, kultural, stabilitas*

## **Introduction**

### **Defining Regional Integration**

International society finds regional integration to be a very appealing modern trend. In the current context, there are several regional integration efforts underway, including the European Union in terms of economic integration and ASEAN in terms of socio-political

integration. Today, however, regional integration's implementation is not just focused on achieving its basic goals, however it already evolves with regional integration efforts aim to include every area that may be incorporated. For instance, ASEAN was founded with the goals of social and political equality in mind, but as it developed its integration, it also considered the economic factors. Due to the necessity of economic cooperation, liberalization, and other forms of collaboration

With the need for economic and other forms of collaboration, as well as liberalization, to create a better international community. A supranational regulatory system is required to govern the current condition of international relations due to the growing interdependence of nations. Because the regulations agreed at the supranational level can result in a shared understanding of the governments participating so as to avoid conflict, it is anticipated that they will improve the area both economically and politically.

Understanding the meaning of regional integration is crucial. Scholars have been attempting to define regional integration for many years. The primary justification for researching regional integration, according to Erns B. Haas, is therefore normative: The units and actions under study offer a real-world setting for monitoring the processes that might result in the peaceful development of novel sorts of human societies with extremely high levels of organization. In the study of regional integration, tasks, transactions, perceptions, and learning process are more important than sovereignty, military prowess, and power balances.

Regional integrations were later characterized by Haas (Haas, 1970) as the process by which national states actively mingle, integrate, and mix with their neighbours in order to lose the factual characteristics of sovereignty while gaining new methods for settling disputes among themselves. Regional integration may serve political, economic, or occasionally commercial and wider security objectives as part of a corporate venture. An intergovernmental or supranational organization might be used for regional integration to serve their interests. The concept of regional integration can be analysed from three dimensions: (a) geographic scope, which shows how many states are involved in the arrangement; (b) substantive coverage, which refers to the range of sectors and activities covered (trade, labor mobility, macro policies, sector policies, etc.); and (c) depth of integration, which gauges how much sovereignty a nation is willing to cede, ranging from simple coordination or cooperation to deep integration.

Regional economic integration and regional political integration are two other kinds of regional integration. The major goal of a regime was typically to accomplish one type of integration, although many regimes today aimed to address both the political and economic components of integration. Let us begin by talking about regional economic integration. According to academics, regional economic integration is the process through which several nations decide to reduce trade restrictions with one another. Trade limitations include border controls, quotas (a limit on the quantity of a product that may be imported), and tariffs (taxes placed on imports to a country). Later, there are also several types of economic integration itself. As the most fundamental type of economic cooperation, a free trade area allows its members to abolish all trade restrictions amongst themselves while maintaining complete autonomy over their trade relations with non-member countries. The second is called a custom union, and it offers economic cooperation similar to that found in a free-trade area. Trade restrictions between member nations are eliminated under this arrangement. Members agree to handle trade with non-member nations similarly, which is the main distinction from a free trade area. Common market is the third type of economic integration. This kind enables the development of mutually beneficial marketplaces for its

members' economies. Any limitations on the movement of labor and capital between member states are also eliminated, along with trade obstacles. There is a unified trade policy for commerce with non-member countries, like customs unions. One of the beneficiaries are the employees in the region since they are no longer need to get a work permit or visa in order to work in another nation that is a member of a common market. The economic union is the fourth and highest level of economic integration. When governments come to an economic agreement to abolish trade restrictions and implement similar economic policies, this kind is produced.

For instance, the North American Free Economic Agreement (NAFTA), which lowers trade barriers between the three countries, was created by Canada, Mexico, and the United States. In term of the depth of the integration, NAFTA would be considered as a mid- level integration since Canada, the United States, and Mexico are still able to impose their own trade restrictions on goods coming from other countries(Olsen & McCormick, 2018).

There is a process of development of integration following the completion of regional economic integration. If the supranational authority desires a more thorough kind of integration, this would it would develop into deeper dimension of integration depending by issues that need to be resolved. The integration would expand to include more facets and take on the shape of the progress of the preceding administration. We refer to this as political integration. The peak of this political integration happens when the cooperating states are so integrated that their armies are combined and they have the same foreign policies. By this point, the members would effectively establish a new nation. Political integration is the process by which nations give up their need and capacity to conduct important foreign and domestic policies independently of one another in favor of working together or transferring decision-making authority to new central bodies. It is also the process by which political actors in various different settings are persuaded to shift their expectations and political activities to a new centre (Lindberg, 1963).

## **Theoretical Framework**

### **Understanding Successful Regional Integration**

Scholars have been attempting to debate the theory of regional integration for many years. Their primary goal is to provide an explanation for why the major governments in a region choose to cooperate and integrate. In order to replace and supplement what cannot be governed by a nation state alone, it is maintained that the increasing interconnectedness between nations need supranational frameworks. Previous ideas that attempted to describe the process of regional integration itself would be developed into the theories of regional integration. It would primarily be built from Neo- Functionalism theory, a theory whose main objective is to characterize the integration process.

The main justification for regional integration is to explain why a nation is moving in that direction. This is best described by neo functionalism since three causal factors interact. These three factors are growing interdependence between nation-states, the belief that organizations can resolve disputes and establish international legal systems, and finally the expectation that supranational market norms will replace national regulatory systems are the three main causes (Sweet & Sandholtz, 1997). Early neo functionalists foresaw the demise of the nation-state as interest groups, elected politicians, and business interests progressively realized that greater political and economic integration at the supranational level would

enable them to further their objectives. Three strategies were outlined by Haas in this area to advance integration: positive spillover, the transfer of home allegiances, and technocratic automaticity (Ren, 2014).

### **Defining Successful Regional Integration**

After debating the theories of regional integration, then we move into the discussion about the successful regional integration. The regional successful regional integration is reached when a supranational regime can rule everything that could not be done by domestic policy. The regional integration tries to accommodate the interdependence in a region. When it successfully accommodates, then it can be called the successful regional integration.

Regional integration should fulfil at least eight important functions which includes: the strengthening of trade integration in the region, the creation of an appropriate enabling environment for private sector development, the development of infrastructure programmes in support of economic growth and regional Integration, the development of strong public sector institutions and good governance, the reduction of social exclusion and the development of an inclusive civil society, contribution to peace and security in the region, the building of environment programmes at the regional level, and the strengthening of the region's interaction with other regions of the world (De Lombaerde & Van Langenhove, 2007).

They seek to achieve the conditions that Lolette Kritzinger-van Niekerk (Kritzinger-van Niekerk, 2005) describes as necessary for successful regional integration. These conditions are: Openness that means if domestic and regional markets are too small, it is crucial to be open to the rest of the globe. Subsidiarity that means regional agencies should only do tasks that are insufficiently performed by national agencies. Private sector leadership that means the people must be at the centre of integration, and the private sector is its driving force. Pragmatism that refers to the desire and interest of the state to be involved in the regional integration process.

### **Result and Discussion**

One model of regional integration is ASEAN. With ASEAN, Southeast Asia views regional integration trends as one of the primary ways to speed up the development of the area. Since ASEAN's growth has continually shown an upward transition from a concentration on regional peace and stability to tighter economic integration, although being gradual and sluggish, ASEAN is the most appropriate case study for the modern regional integration. It is anticipated that ASEAN's regional integration would result in the creation of a single market and production base, a region that is fiercely competitive, has equitable economic development, and is fully connected into the world economy (Guan, 2004).

ASEAN was created as a result of the three interdependent causal factors identified by regional integration theory: increasing interdependence between states, organizational capacity for conflict resolution and the development of international legal systems, and, finally, the states' belief that supranational rules will eventually replace national regulatory systems. As can be seen from the ASEAN Declaration's objectives, which are to strengthen the basis for a prosperous and peaceful community of Southeast Asian nations, ASEAN's goals and purposes are to: accelerate regional economic growth, social progress, and cultural development through cooperative efforts in the spirit of equality and partnership. In its goals and forecasts, ASEAN holds that maintaining justice and the rule of law in interactions between nations in the area and adherence to the UN Charter as a shared understanding of

the states in this regional integration are necessary for achieving regional peace and the rule of law. Additionally, they agreed to cooperate and provide one another with support on issues of shared concern in the sectors of administration, economics, social development, and culture. ASEAN believes that regional integration can increase the use of their industries and agriculture, commerce, including research into the issues of global commodities trading, transportation, and communications infrastructure, and raise the standard of living for their populations.

By pursuing the implementation of the ASEAN Community, which has three pillars: the ASEAN Economic Community, the ASEAN Political-Security Community, and the ASEAN Socio-Cultural Community, ASEAN believes they can achieve all forms of integration through the process, including the economic, political, and socio-cultural integration. The economic integration is the starting point and the most tangible form of the integration. The Association of South-East Asian Nations (ASEAN) Free Trade Area, often known as AFTA, is one of the ASEAN economic integration processes. Its goal was to remove tariff barriers between member nations through the Agreement on the Common Effective Preferential Tariff (CEPT) system. It applied to all ASEAN member country products, which were those with at least 40% ASEAN content. The 500 million-person regional market was the goal of this agreement. Due to the implementation of AFTA, overall commerce between ASEAN nations increased from US\$ 44.2 billion in 1993 to US\$ 95.2 billion in 2000, a growth rate of 11.6 percent per year. About 23.3 percent of all ASEAN exports to the globe were intra-ASEAN exports. Before the mid-1997 financial and economic crisis, intra-ASEAN exports had been rising by 29.6%. This is a lot faster than the 18.8 percent growth in overall ASEAN exports to the world during the same time period (Hapsari & Mangunsong, 2006). The impact of the implementation of AFTA is clearly shown us the implementation of regional integration theory, including the supranational regime rules and the rise of interdependence between the states in the region. This process is also containing the important functions of regional integration including the strengthening of trade integration and supporting the economic growth.

In term of political integration process, we must rely to the fact that there is no single open conflict between ASEAN members since the establishment in 1967. ASEAN was to succeed in these aims beyond all expectations. Immediately after the end of the wars in Indochina in 1975, ASEAN members reached out to the re-united Vietnam, and to Laos, leaping over the wall erected by ideology and history. In addition to all of that, the establishment of the ASEAN Regional Forum serves to actualize ASEAN's integration process. The establishment of effective principles for dialogue and cooperation, including decision-making by consensus, non-interference, incremental progress, and moving at a pace comfortable to all, as well as the transparency of measures promoted by the ARF, such as the exchange of information relating to defines policy, are just a few of the accomplishments of this forum (Severino, 2001). In order to ensure peace and political stability in ASEAN, a supranational government has been established as part of this integration process, and it has issued a number of regulations. The application of the non-interference policy and decision-making by consensus are both covered by this regulation. The implementation of ASEAN's efforts to promote regional peace and stability is a crucial aspect of regional integration.

ASEAN also thinks that the positive spillover effect, which is the idea that state integration in one area of the economy will strongly encourage state integration in other areas, will be advantageous for ASEAN integration. The other factor that has to be merged would be impacted by ASEAN's performance in the AFTA and economic sectors. With consequences for the rule of law, the credibility of economic, financial, and political institutions, as well as

for national stability, ASEAN members are dedicated to the market as the main driver of economic progress. They give the growth and function of the private sector, with its effects on government and society at large, high priority. At the same time, they seek to ensure that rampant capitalism does not lead to the dangerous enlargement of the economic and social gaps within the nation and within the region (Severino, 2001).

### **Conclusion**

Since we learned that, in accordance with theory, regional integration is necessary to promote regional prosperity and development and to address domestic regulations that fall short of the requirements of supranational regulations that are intended to benefit the region as a whole, ASEAN has shown us the value of regional integration in the modern world. According to ASEAN, by making the ASEAN Community their primary objective, they would be able to achieve their aim of a more cohesive area in the modern world. When ASEAN celebrated its 30th anniversary in 1997, the forum in Kuala Lumpur hosted the adoption of the ASEAN Vision 2020 by the leaders of each member state. This vision envisions Southeast Asia as a symphony of states that are "outward looking, living in peace, stability and prosperity" as a way of achieving the creation of a single ASEAN community. Three major pillars of a single ASEAN community were originally established: (1) ASEAN Security Community, (2) ASEAN Economic Community and (3) ASEAN Socio-Cultural Community. A single market and production base, a highly competitive economic area, a region of equitable economic growth, and a region fully integrated into the global economy are the objectives outlined by the ASEAN Economic Community. The ASEAN Political-Security Community has set the objective of developing a region that exemplifies the following qualities: a rules-based community of shared values and norms; a cohesive, peaceful, stable, and resilient region with shared responsibility for comprehensive security; and a dynamic and outward-looking region in a world that is becoming more interdependent and integrated. In the last pillar, the ASEAN Socio-Cultural Community, they believe they can achieve people-centered and socially responsible with the goal of achieving lasting solidarity and unity among the nations and peoples of ASEAN by creating a shared identity and a peaceful, inclusive society where the welfare, well-being, and livelihood of all peoples are improved.

According to ASEAN, regional integration is something that the modern world is quite hopeful about. Due to the growing interdependence of governments and the necessity for greater collaboration, the modern world believes that regional integration will be the solution to the problem of boosting human prosperity. They may undoubtedly benefit from prior experiences, such as what transpired in the European Union, in order to bring about a successful regional integration. The notion of pragmatism in the changeable geometry, as articulated by Lolette Kritzinger-van Niekerk (2005), which asserts join when ready and suitable, is what I believe the European Union forgot and later some people regarded a failure. What has happened in Europe is that nations have pushed integration too far, leading to some problems that are perceived as failures. As the new face of modern integration, ASEAN has to pay attention to these concerns in order to learn from them and advance regional integration.

### **References**

De Lombaerde, P., & Van Langenhove, L. (2007). Regional integration, poverty and social policy. *Global Social Policy*, 7(3), 377–383.

- Guan, B. T. C. (2004). ASEAN's regional integration challenge: The ASEAN process. *The Copenhagen Journal of Asian Studies*, 20, 70–94.
- Haas, E. B. (1970). The study of regional integration: reflections on the joy and anguish of pretheorizing. *International Organization*, 24(4), 606–646.
- Hapsari, I. M., & Mangunsong, C. (2006). *Determinants of AFTA members' trade flows and potential for trade diversion*.
- Kritzinger-van Niekerk, L. (2005). Regional integration: Concepts, advantages, disadvantages and lessons of experience. *World Bank*.
- Lindberg, L. N. (1963). The political dynamics of European economic integration. *The Political Dynamics of European Economic Integration*.
- Olsen, J., & McCormick, J. (2018). *The European Union: politics and policies*. Routledge.
- Ren, L. (2014). *Rationality and Emotion: Comparative Studies of the Franco-German and Sino-Japanese Reconciliations*. Springer.
- Severino, R. C. (2001). ASEAN: Building the peace in Southeast Asia. *Presentation from ASEAN Secretary General at the Fourth High-Level Meeting Between the United Nations and Regional Organizations on Cooperation for Peace-Building, United Nations, New York, NY*, 6–7.
- Sweet, A. S., & Sandholtz, W. (1997). European integration and supranational governance. *Journal of European Public Policy*, 4(3), 297–317.