January 2014

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Diverging Paths: Economic Integration in the EU and ASEAN

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Abstract
The European Union (EU) represents a quintessential example of regional economic integration, but not the sole case meriting consideration. This paper uses a comparative regional approach to analyze economic integration in the EU and the Association of Southeast Asian Nations (ASEAN). Excluding colonialism's role in Asian regionalism, the EU and ASEAN had similar roots and goals for economic integration including creating stability in a post war era, gaining a stronger collective voice, and fostering economic growth. However, despite similar foundations their trajectories towards integration diverged. This paper identifies key factors influencing how these polities have integrated markets including institutional structure and capacity, regional political conditions, and dynamics of regional trade. Then, it analyzes the roles of these elements in defining EU and ASEAN economic integration projects. Through this analysis, this paper seeks to bridge gaps between literatures analyzing individual cases and move towards a dynamic comparative model for the study of regional economic integration.

Keywords
ASEAN, Economic Integration, Single Market, Comparative Regionalism
What dynamics define a region’s approach to economic integration? Is declaring the intention to create a common market sufficient to shape the future of the project, or do other factors play a role in directing the course of market integration? This paper will look at two cases of modern regional economic integration, the European Union (EU) and the Association of Southeast Asian Nations (ASEAN), examining their dissimilar approaches to the same goal: the creation of a single market. Specifically, it will analyze three major differentiating factors affecting market integration that have accounted for their diverging trajectories. These factors are institutionalization, including institutional structure and institutional capacity to enforce supranational decisions; regional political conditions, such as internal versus external hegemons and alternative forums for economic integration; and lastly, regional economic conditions, including internal versus external trade and the presence of alternative free trade agreements.

Despite both being founded in the wake of World War II (WWII), the EU and ASEAN launched their single market projects at different times. From the outset of the European Project, the Treaty of Rome called for the creation of a common market, saying, “the Community shall have as its task, by establishing a common market and progressively approximating the economic policies of Member States, to promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion, an increase in stability, an accelerated raising of the standard of living and closer relations between the States belonging to it” (Treaty establishing the European Economic Community [TEEC], 1957, Article 2). ASEAN’s founding document, the Bangkok Declaration, called for similar ends, “[aiming to] accelerate the economic growth, social progress and cultural development in the region through joint endeavors in the spirit of equality and partnership in order to strengthen the foundation for a prosperous and peaceful community of South-East Asian Nations” (Bangkok Declaration, 1967). However, the common market as a means to this end was not addressed until 1992 with the decision to create the ASEAN Free Trade Area and Common Effective Preferential Tariff. The idea was finally articulated in the ASEAN vision for 2020 stating, “we will create a stable, prosperous and highly competitive ASEAN Economic Region in which there is a free flow of goods, services and investments, a freer flow of capital, equitable economic development and reduced poverty and socioeconomic disparities” (ASEAN Vision 2020, 1997).

Excluding the history of colonialism that played a major role in Asian regionalism, the EU and ASEAN have similar roots and initial goals for their economic communities. Such roots and goals include the desire to create stability and peace in the post war era, cement regional power to gain a stronger collective voice, and foster economic growth and competitiveness. However, from these similar foundations the trajectories of their economic integration projects have diverged dramatically. There remains an unexplored opportunity for an in-depth analysis of the reasons behind their diverging paths.

1. Literature Review

In an analysis of modern day regional integration efforts, the EU stands apart as a quintessential example of a group of sovereign states integrating markets. While academic study of regional integration is rooted in classic IR theories, there has been a unique set of theories developed specifically to explain the EU integration process. Ernst Haas was one of the earliest theorists to address European integration, introducing neo-functionalist theory in 1958 suggesting functional and political “spillover” as the motivating factor for integration.
Haas was challenged by the growth of intergovernmentalist theory introduced by Stanley Hoffman in the 1960s. Hoffman argued that there was no self-sustaining cycle of spillover. Instead, the integration process was governed by the interests of national governments, who choose to pool sovereignty when it is in their interest to do so.

As these frameworks developed, there were several early attempts to apply them beyond the borders of Europe, suggesting an expectation that similar approaches to integration would be followed across regions. Haas worked in conjunction with Phillippe Schmitter during the mid-60s to apply neo-functionalist theory to regional integration in Latin America (Haas & Schmitter, 1965). At the same time, Joseph Nye tried to find applications of EU theory for the Pan-African movement and East African Integration (Nye, 1965). While neither of those regions continued on a path to integration compatible with European integration theories, there was at least a minimum study of possible applications. However, despite the roots of integration movements appearing in Southeast Asia at the same time, there was no concerted attempt to apply these theoretical frameworks to Asian regionalism.

There was a shift in the 1990s with development of Constructivist theoretical frameworks which were applied to both the EU and ASEAN. In fact, in this case scholars may have given more attention to ASEAN, using Constructivism to analyze the normative development of the ‘ASEAN Way’. Despite these developments, scholarship addressing the field of comparative regionalism remains sparse when compared with academic attention devoted to regions individually. There is a major dearth of literature featuring comparisons between the EU and ASEAN as this topic is addressed by only a few notable scholars.

This paper will focus on three major theoretical frameworks which have been used to analyze both the EU and ASEAN; specifically theories that address institutional, normative, and regional political differences in the two regions. Widely defined these theoretical frameworks can be broken down into institutionalism, constructivism, and rational choice theory, all of which can contribute to different explanations for divergent market integration processes pursued in these two regional blocs.

1.1. Institutionalism

A major point of comparison between ASEAN and EU regional integration has been based on their clearly widely disparate institutional structures and capacities. The EU is based on a model designed to foster supranational authority through its institutions, comprising a forum for EU interests above the national but also introducing an element of democratic representation for citizens and a judicial remedy for constitutional disobedience. Theorists have lauded European institutions as positive motivating factors for economic integration, but also condemned them linking the depth of the Euro crisis to the adoption of a monetary union without an accompanying fiscal one or highlighting shortcomings in the supranational democratic process creating a democratic deficit at the EU level.

ASEAN on the other hand, has strictly maintained a committee based system of intergovernmental institutions centered around the ASEAN Summit. Not only does the ASEAN supranational institutional structure exclude a court and judicial remedy, but it conscientiously pursues a policy of non-interference in the affairs of its members and as a result has been accused of being merely a “talk shop.” These divergent institutional structures and their roles in regional integration have been the subject of extensive analysis by scholars focusing on both regions.

Despite widely varying structures and functions, institutional capacity in both blocs has
been studied for its role in economic integration. Regarding the EU, Jupille works to integrate branches of theoretical study focusing on EU institutions and to look at the interaction between EU institutions and actors. He concludes that there is an interactive relationship between institutions and actors visible in the form of procedural politics. It is this cycle of interaction between institutions and actors that shapes EU policy and governance (Jupille, 2003; Jupille, 2004). McNamara examines the robustness of EU institutions and their capacity in terms of an ability to foster an *ever closer union*. Despite changing burdens and political realities, EU institutions remained adaptable, adjusting to changing circumstances and continuing to play a major role shaping the progress of EU integration (McNamara, 2007). Verdun postulates that it was the institutional capacity of early committees, including the monetary committee and the committee of governors, which allowed for the necessary debate and policy coordination for the implementation of the Economic and Monetary Union (EMU) (Verdun, 2007). Büthe looks to the role of the European Commission (EC) and its use of supranational authority to enforce competition policy to demonstrate the key role of European institutions in EU economic integration. He underlines this point noting that the EC also enforces regulations preventing national governments from giving private aid that distorts markets (Büthe, 2007).

ASEAN’s institutional capacity has also been the subject of varied scholarship, particularly regarding institutional ability to address their mandates. According to Severino, the Secretariat and Office of the Secretary-General should be driving forces behind economic integration. However, he suggests that demands placed on the institutions have outstripped their resources, which are now devoted to immediate needs such as the hundreds of annual meetings rather than to shaping and implementing long term strategies (Severino, 2007). Other scholars have researched the effects of domestic institutional capacity on integration. Bhattacharyay examines infrastructure and institutions on a national level for capacity to facilitate, execute, or enforce ASEAN objectives. Bhattacharyay’s work on “soft” infrastructure including policy, regulatory, governance, and institutional frameworks and mechanisms is particularly important for this paper. He concludes that ASEAN is nearing the end of the progress that it can make through de facto market-driven integration and requires stronger regional political institutions to start implementing a more top-down approach (Bhattacharyay, 2010). Through a case study of institutional capacity in the Philippines, Balboa looks at these issues through an examination of successful and unsuccessful integration of supranational reforms at the domestic level. In the end, some instances of failure are attributed to institutional weakness (Balboa, 2007).

There are a second set of institutionally based theoretical approaches aimed at EU economic integration. Historical Institutionalism looks not at the capacity of the institutions but their role in framing and shaping issues and identities. McNamara uses this approach, attributing the path of European integration to a “feedback loop.” Actors create institutions, but institutions go on to shape the choices and behaviors of political actors, including their identities (McNamara, 2007). Cooley and Spruyt propose Contracting Theory as a framework for the analysis of European Integration (Mattli & Stone Sweet, 2012). They look at institutional design, specifically the way treaties are formatted as a major contributing factor for the trajectory of an integration project. The Treaty of Rome is described as an “incomplete contract” that sets out general tenets, objectives, and priorities, but leaves the implementation of the details open-ended. The Commission and ECJ are thus created to ensure the specific implementation of its components (Cooley & Spruyt, 2009).
The role of institutions in shaping issues and identity has also received attention by ASEAN scholars. Severino postulates that ASEAN’s economic integration is inhibited by an institutional approach that separates political cohesion and economic integration, pursuing them as separate and independent goals. Severino concludes that uneven progress in political and economic spheres has left the future of economic integration in question (Severino, 2007). This concern regarding separation of types of integration has also been addressed by Scharpf’s constitutional asymmetry theory, which is used to analyze EU integration. Scharpf proposes that as legislative and judicial integration are separate forces in the EU, they effectively drive the EU away from the possibility of forming a social market economy. Judicial integration tends towards liberalization and deregulation that due to high consensus requirements is not corrected politically (Scharpf, 2009).

1.2. Constructivism

The Constructivist perspective looks at regional integration in terms of the creation of a regional identity and a set of basic norms for inter-state relations in the region. While ASEAN with its emphasis on the ASEAN way has been analyzed most heavily by constructivist theorists, the EU has also been the subject of constructivist analysis.

Aalberts uses constructivist theory to explain the seeming paradox of the continuing emphasis on state sovereignty despite ongoing EU integration. She suggests that a constructivist interpretation can explain the centralization of authority in European institutions and simultaneous state-centric regionalization as the consequence of constructed sovereign identities interacting with governance at the national and supranational level (Aalberts, 2004). McNamara also takes a constructivist approach to analyze the formation of the EMU. She finds that its success is based on a socially constructed ideational shift away from the liberal stance under Bretton Woods and towards a neoliberal economic policy, creating consensus on the correct approach and mechanisms to be adopted for a common monetary policy (McNamara, 2006). Christiansen, Jorgensen, & Wiener suggest that when studying EU integration social constructivism can be used to find a balance between rationalism and reflectivism allowing a deeper analysis of the formation of a European polity through rules and norms and the creation of European identities (Christiansen, Jorgensen, & Wiener, 1999).

There is a wide range of scholarship united by the study of ASEAN identity. Amitav Acharya laid the foundations for constructivist interpretations of ASEAN’s development with his scholarship on how outside norms shaped ASEAN and how ASEAN’s norms have shaped the development of the region. He highlights effective norm diffusion through a dynamic process of localization, or the interaction between transnational norms and local beliefs and practices, resulting in the integration of transnational norms into the local context through a complex borrowing process (Acharya, 2004). Acharya also espouses the use of an “ideational” approach, looking at how ideas shape regions and the causal relationship between existing ideas and how specific outcomes result from their institutionalization (Acharya, 2012). Kraft builds upon Acharya’s work, proposing that ASEAN identity and consequent integration were based in a self-conscious process of community and identity building. This created a new set of norms under which ASEAN sought a leadership position in Asia and engaged more deeply with other regional powers (Kraft, 2012). Alice Ba takes a different approach suggesting institutionalization is a means of constructing regional identity. She develops a dual definition of institutionalization, which includes the tradition defined frameworks and sets of rules as well as normalization or habituation. She suggests that so-
cial norms and conventions are effective in ensuring desired behavior and that through this process, mutuality and restraint have been cemented as a core part of ASEAN’s constructed identity (Ba, 2011).

1.3. Rational Choice Theory

The final set of theories move away from constructivist foundations to emphasize the regional and political conditions that shaped economic integration in the EU. Mattli uses externality theory to analyze the conditions necessary for successful integration in terms of demand-side and supply-side factors (Mattli, 1999). He defines demand side conditions as the demand of economic actors for region wide policies to control both cross border trade and economic interactions, and to reduce externalities caused by political uncertainty. These conditions are complemented by supply side conditions, including the presence of political leaders who understand the benefits and are willing and able to undertake the task of integration. Mattli suggests that it was the confluence of these factors that eventually created appropriate conditions for integration in Europe and that in the case of ASEAN, the lack of all of these factors lead to a slower process of integration (Mattli & Stone Sweet, 2012).

On a similar note ASEAN scholars have conducted a variety of research looking at the demand for economic integration through ASEAN. ASEAN is somewhat unique, and certainly differs dramatically from Europe in the number of bilateral trade agreements that are made by its member states. Sen and Srivastava point to a model viewing regional trade agreements as spokes surrounding a hub, which can be deeply undermined by additional free trade agreements. Such agreements would would eliminate ASEAN as a sole hub and by creating many hubs reduce overall impact (Sen & Srivastava, 2009). Kawai points particularly to the issues inherent in having a wide variety of agreements, each with differing standards that might serve as a deterrent to business (Kawai, 2011).

Another consideration has been the role of regional hegemons in shaping integration. Mattli suggests that conditions for integration are made more favorable when there is a major internal power taking up a leadership role, specifically highlighting Germany in the role of paymaster to the Union (Mattli, 1999). Lundestad proposes that the EU was also shaped by relations with external hegemons, referring in this regard primarily to the US and a lesser degree the Soviet Union (Lundestad, 1986).

Yoshimatsu looks at the influence of external actors on ASEAN in terms of a collective action problem, with extra-regional states negatively impacting collective problem solving (Yoshimatsu, 2006). ASEAN also faces another somewhat unique regional political issue in the form of “forum shopping” within the region. Park conducts a quantitative analysis looking at the viability and sustainability of the various trade agreement options within ASEAN, but also provides a comparison to an APEC-level regional trade agreement (RTA) (Park, 2009). Batra does a similar analysis looking at a variety of possible arrangements for economic agreements between ASEAN and its powerful neighbors looking specifically to find the most efficient approach for ASEAN (Batra, 2007).

2. The Role of Institutions in Integration

2.1. Institutional Structure

As noted in the literature, one of the main differences between the EU and ASEAN is their institutional structures. While differing institutions alone is not enough to fully account for the diverging paths of regional integration, it has played an important role. Institutions
shape both the decision making process and how those decisions are enforced.

The European Union has a unique institutional setup with supranational institutions empowered to set the agenda for the Union, and in certain cases with authority over the governments of the member states themselves. The EU has three core institutions: the European Commission, the European Parliament, and the Council of the European Union. The Commission is composed of 27 commissioners tasked with representing the interests of the Union as a whole, and originates all legislation for the EU. The European Parliament brings in a unique level of supranational democracy, with members of parliament directly elected every five years and seated according to party rather than nationality. Finally there is the Council of the European Union which is representative of the governments of the member states, consisting of meetings of national ministers to discuss relevant policy areas (Treaty on the Functioning of the European Union [TFEU], 2010).

Beyond these three core institutions, there are two other European Institutions of note in terms of shaping the trajectory of European regional integration. First, the European Concil is composed of the heads of states of each EU country, but has no formal law making authority. Second, the European Court of Justice oversees the interpretation of EU law, its enforcement, and settles inter-state disputes (TFEU, 2010). These institutions when looked at collectively represent an extensive degree of supranational authority capable of propelling economic integration forward through a variety of approaches.

ASEAN, on the other hand, took a quite different institutional approach, specifically promoting an organizational structure based on informality and minimal institutionalization. The ASEAN institutional structure centers around a set of committee and summit meetings. At the heart of the system is the ASEAN Summit composed of the heads of state of all of the ASEAN governments who make key decisions at bi-annual meetings. The ASEAN Summit is supported by the ASEAN Coordinating Council made up of ASEAN Foreign Ministers and the ASEAN Community Councils comprising the three pillars of ASEAN. The ASEAN Community Councils also oversee the ASEAN Sectoral Ministerial Bodies: the ASEAN Political-Security Community Council, the ASEAN Economic Community Council, and the ASEAN Socio-Cultural Community Council (Association of Southeast Asian Nations [ASEAN] Charter, 2007). These committees are supplemented by two permanent ASEAN bodies. First, the Committee of Permanent Representatives based in Jakarta consists of appointed ambassadors from each country that collaborate to implement the decisions of the Sectoral Ministerial Bodies. Finally, there is the ASEAN Secretary General and Secretariat overseeing the administration and day to day work of ASEAN’s programs and objectives (ASEAN Charter, 2007).

There is another important aspect to the effect of the differentiation of institutions on integration. While the European Parliament is seldom referred to as a major player in economic integration in Europe, a role generally attributed to the commission and the court, it does have one very important effect. It is a representative institution, incorporating the will of the citizens of European member states into the decision making process and thus by extension, giving the people a say in the future of Europe and economic integration in the EU. This form of legitimization through citizenship is absent in the committee based ASEAN structure, where there is no representative body and ministers and permanent representatives are government appointees. Thus the legitimacy necessary to drastically alter national regulations based on supranational authority would be quite difficult in ASEAN, and almost impossible to portray as the will of the people. Given these widely disparate approaches to
institutional structures, it is not surprising that they have produced different approaches to economic Integration.

2.2. Decision Making Rules

Decision making rules and norms are particularly important in determining the forward momentum and trajectory of a regional organization. Both the EU and ASEAN began with decision rules based heavily on consensus. For example, the Council of the European Union initially required unanimous voting for many of its decisions, especially those relating to the Common Market (Treaty of Rome). However, the EU was confronted with the potential issues of unanimous decision making early on, e.g. the 1965 Empty Chair Crisis precipitated by Charles De Gaulle’s boycott of European institutions. The issue was resolved through the Luxembourg Compromise in 1966 that essentially granted de facto veto power to states on matters that were deemed vital to the national interest, effectively handicapping forward progress on integration. The Single European Act was adopted in 1986 to overcome this deadlock, moving from a system of unanimity to a system of Qualified Majority Voting (QMV) with regards to many common market issues (Single European Act, 1986). Voting procedures have continued to be modified in all areas of EU governance with the Lisbon and Nice Treaties adding additional measures to the list of issues to be determined by QMV. Now there are only a few select areas still requiring unanimity, including social security or social protection, taxation, new member state accession, and foreign and common defense policy.

After the alteration of its decision rules European level institutions have become increasingly activist, now making upwards of 1,000 decisions annually (Figure 1). Although few of these decisions make drastic changes to the EU, its structure, or markets the sheer number is worth noting. Such high rates of legislation are indicative of an influential supranational institutional structure, with decision making rules that facilitate its activist approach.

Figure 1

![Graph showing the number of acts adopted by year](http://scholarship.claremont.edu/urceu/vol2013/iss1/4)

ASEAN also began with a unanimity based approach to institutional decision making, referring to its specific methodology as “consultation and consensus.” This system was

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1 As defined in the Protocol on Transitional Provision of the Lisbon Treaty, a Qualified Majority is, “at least 255 votes in favour representing a majority of the members where, under the Treaties, they must be adopted on a proposal from the Commission. In other cases decisions shall be adopted if there are at least 255 votes in favour representing at least two thirds of the members.” These votes are weighted based on population. However, the new system under Article 238 of the TFEU will take effect on November 1, 2014 during which, “a qualified majority shall be defined as at least 55% of the members of the Council representing the participating Member States, comprising at least 65% of the population of these States.” Or if not acting on a decision from the Commission, “at least 72% of the members of the Council, representing Member States comprising at least 65% of the population of the Union.”
intended to make certain that any initiative or decision taken by ASEAN has full and complete support of all member states and that a minority view can never be subjugated by a majority. However, unlike the EU, ASEAN has not moved radically away from unanimity, continuing to hold it as a core value and essential part of the ‘ASEAN Way’. There have been some reforms and clarifications to decision making procedures with the implementation of the 2007 Charter. Chapter VII was devoted to decision making and unanimity in Article 20 stating, “as a basic principle, decision-making in ASEAN shall be based on consultation and consensus” (ASEAN Charter, 2007). However, the new Charter did make a concession to a possible eventuality requiring decisions to be made via other means adding, “where consensus cannot be achieved, the ASEAN Summit may decide how a specific decision can be made” (ASEAN Charter, 2007). The most important deviation was contained in Article 21, paragraph 2, which implemented a new flexible participation procedure specifically for economic commitments via the, “ASEAN Minus X” formula. If there is consensus to utilize it, a portion of ASEAN members can move forward with economic measures, while allowing others to implement them more slowly (ASEAN Charter, 2007). It should be noted that the proposed ASEAN Minus X approach bears striking similarities to some of the differentiated approaches to integration seen in the EU, including proposals for a “two-speed Europe” and the potential for states to choose membership to individual aspects such as the Eurozone, or the Schengen Area (Dyson & Sepos, 2010).

These differences in decision making procedures are one of the core reasons for the differences in progress towards market integration. With a consensus based system all progress can be brought to a halt by a single participant. As the process of economic integration is by no means an easy or comfortable one for countries involved, requiring extensive and often radical changes of existing policies and economic systems, this is highly risky. If all progress halts as soon as a single participant is faced with a decision that they do not want to make, progress will be slow at best and often non-existent, as such was the case with the EU throughout the late 1960s and 70s. By maintaining its core values of consensus based decision making, ASEAN has made the choice to value its normative identity and process based approach and adherence to the ASEAN Way over more rapid progress towards integration. That is not to say that either method is superior, but consensus based systems necessitate slower progress due to the time necessary to reach agreement on each topic. As a result, when the EU moved away from consensus based decision making, it could pursue more rapid integration thus diverging from the approach maintained by ASEAN.

2.3. Rule of Law and the Judicial Remedy

The other key institutional difference between the EU and ASEAN is seen through rule of law and the measures and institutions in place to oversee national implementation of supranational decisions. Through the establishment of the European Court of Justice (ECJ) with its mandate to ensure the implementation of the treaties and directives, the EU created a judicial remedy for constitutional disobedience. The very nature of the ASEAN system based on non-interference in the affairs of its member states precludes a judicial remedy that would require states to change their behavior to come into line with supranational regulations.

The ECJ is an influential and historically often overlooked institution, with a wide variety of functions that have played a key role in shaping the economic integration process in the European Union. In addition to interpreting EU law and evaluating their compat-
ibility with the treaties, the ECJ is also tasked with determining whether national governments have fulfilled their obligations under EU law. When progress stalled in the Council after the Empty Chair Crisis and the addition of the de facto veto with the Luxembourg Compromise the ECJ stepped in to become a major motivating factor for integration, taking a much more activist approach than had been seen in the past. Specifically, the ECJ made three landmark decisions that created the framework for much faster and deeper economic integration. The first was Van Gend en Loos in 1963 that established the principle of direct effect, making it clear that EU law was directly applicable to both citizens and member states. The second was Costa vs. ENEL in 1964 that established EU legal supremacy, meaning that in case of conflict, EU law is to supersede national law. Lastly, with Cassis de Dijon in 1979 the EU established mutual recognition of national standards allowing for the much smoother creation of the single market. The Court has made over 17,000 rulings since its founding in 1952 and a significant portion of these cases relate to common market issues. In 2011, for example 38% of ECJ decisions were related to the common market.

Figure 2

![Activity of the ECJ](source: 2010 Annual Report on the Statistics of judicial activity of the Court of Justice)

That national governments of EU member states can be sanctioned by a supranational authority for constitutional disobedience is evidence of a level of delegation of authority far beyond what ASEAN has decided to pursue. ASEAN has made a conscious choice to emphasize a normative value set and a process rather than the result, while the EU became increasingly result oriented as it progressed (Schmidt, 2012). Some scholars suggest that ASEAN’s decision to value non-interference comes out of a history of colonialism, which was not present for the EU. As nations that had once lost control of their national decision making processes to a colonial power, they have been reluctant to delegate hard won sovereignty to another supranational power, even one of their own creation. However, this set of decisions had a major effect on the speed at which economic integration could have progressed. In Europe, the ECJ struck down a variety of national barriers impeding the implementation of the four freedoms. When such measures must be negotiated on a case by case basis, the process is accordingly slower.

One indication of the importance of the ECJ is the rate of transposition of EU level law on the national level, which as seen in Figure 3, is extremely high. Greece, the least compliant of the EU members, has transposed 95.6% of EU level legislation addressing the internal market, while seven of the EU-27 have achieved 100% compliance. A large portion of the EU’s success in this area is due to the activist role of the ECJ. For example, in 1990 with Francovich vs. Italy, the ECJ established the principle of state liability whereby European Union member states can be required to pay compensation to citizens who have suffered...
losses due to state failure to implement an EU directive at the national level. ASEAN on the other hand, does not enforce any supranational agreements within its members due to its policy of non-interference, thus there are no mechanisms that would assure compliance or implementation. The results are seen clearly in Balboa’s case study of the Philippines. She found that despite the effort to implement the Common Effective Preferential Tariff (CEPT) Scheme, other factors including domestic institutional issues prevented effective implementation. Situations such as these persist in ASEAN due to the lack of compliance mechanisms or enforcement of supranational decisions.

Institutions, their decision making processes, and their ability to implement Rule of Law at the national level have been major differentiating factors in how and at what speed the two blocs have proceeded towards the completion of a single market. ASEAN has placed the emphasis on a decision making process based on consultation and consensus, where the voice of the few will never be overruled by the many. As a result, the process of economic integration has been slower and more deliberate as each step must have the undivided support of its member states. The EU on the other hand moved away from a process oriented system, with the introduction of qualified majority voting making it easier to come to a binding decision and move forward.

There is also the issue of supranational rule of law and its implementation through institutions. The EU empowered the ECJ with a judicial remedy for constitutional disobedience and allowed it to set legal precedent for the EU. As a result, when progress towards a single market flagged in other institutions the ECJ was able to act as the impetus for further progress. However, to have this increased impetus required a significant delegation of authority to the supranational level. ASEAN chose to take a different approach adhering to a policy of non-intervention on the national level, thus states cannot be held accountable for the enforcement of supranational decisions. These two approaches to the formulation of institutions and their capacities is one of the major contributing factors the differences between the paths towards economic integration, and particularly the formulation of a single market, pursued by the EU and ASEAN.
3. THE ROLE OF REGIONAL POLITICS

3.1. The Role of Regional Hegemons

When looking at regional formation internal dynamics is often the focus, however the external context also plays an important role. In this regard, the EU and ASEAN also developed in strikingly different regional contexts. The EU grew on the foundation of the Franco-German axis designed to integrate a regional power that had been a past source of contention. ASEAN, on the other hand, represented a small set of post-colonial nations uniting in the face of major external powers. This contrast between internal and external hegemons has been particularly important in shaping the directions of these two regions.

The roots of the European Union lie in the European Coal and Steel Community and the idea of regionalizing factors of production, firmly rooting Germany in a peaceful post-war Europe. These developments were cemented with the 1963 Élysée Treaty or Treaty of Friendship between France and Germany. Since that time the Franco-German Axis has remained at the heart of the development of the EU. This is typified in the terminology often used in reference to the relationship, calling it an “axis” or the Franco-German “couple.” The terminology extends to the partnership between the chancellor and president first with “Merkozy” and now “Merkollande.” Although perhaps hyperbolic, the relationship between the two countries is often referred to as the motor of European Integration. Many claim that in a union where all members are supposed to be equal, the French and German presence as internal hegemons gives them undue influence on shaping the path of the union, especially in the wake of the crisis with Germany’s increasingly central role (Paterson, 2011).

While it must be noted that the partnership has had its ups and downs, close cooperation between German and French leadership has often been found at the heart of moments of progress in the European project. The partnership began with the founding fathers of the European project, Jean Monnet and Robert Schuman for France, Konrad Adenauer for Germany. The relationship continued through the 1970s with the close cooperation of President Giscard d’Estaing and Chancellor Schmidt leading to the creation of the European Council in 1974 and the European Monetary System (EMS) in 1979. The next leadership couple appeared in the 1980s with Mitterrand and Kohl ushering in the Single European Act in 1986. The relationship, with a few hitches, has continued in the current crisis under the leadership first of Chancellor Merkel and first President Sarkozy and then President Hollande. The partnership has been crucial in EU attempts to address the sovereign debt crisis for example with Merkel and Sarkozy using their 2010 show of public alliance during the Deauville promenade to underlie their joint effort to push through the European Stability Mechanism (ESM).

ASEAN on the other hand has, since its founding, seen the rise of several external hegemons who continue to grow in both political power, and especially economic power. After ASEAN was founded in 1967, both Japan and Korea entered periods of explosive economic growth lasting from the early 1960s into the early 1990s before slowing. While both Japan and Korea suffered with the ASEAN countries during the 1997 Asian Financial crisis, it did not significantly diminish their longer term relative economic power in the region. As ASEAN, Japan, and Korea began to recover from the crisis, more competition was introduced to the region. India began to slowly liberalize its markets beginning in the mid-1980s, undergoing major reforms in 1991 and then again in the early 2000s. Since that time India has experienced explosive economic growth, adding it to the list of major economic powers external to ASEAN. China also began to liberalize its economy beginning with its
1978 policy of reform and opening under Deng Xiaoping. However, it was in the 1990s that growth really began to pick up followed by exceptional growth throughout the 2000s.

This development of external economic powers could affect ASEAN in two different ways. On one hand, it reinforces the need for ASEAN countries to act as a bloc in the face of growing larger external competition. On the other hand, if these external hegemons are viewed as a threat to ASEAN, they are problematic for two reasons. Actors such as China might not wish to see the successful development of a strong regional economic bloc in its vicinity and perhaps more dangerously, they can be seen as potential alternatives to ASEAN in terms of economic cooperation. This has left ASEAN in a regional context quite different from the one faced by the EU. Even with growing euroskepticism, Europe has not seen the growth of a comparable major external hegemon to be viewed as either a real threat or alternative to the EU. As a result, ASEAN has not seen the same momentum towards market integration as was provided for the EU by internal hegemons. In fact, to the contrary external hegemons can at worst directly threaten ASEAN and at best, have the potential to undermine its efforts.

### 3.2. Forum Shopping

This segues into the next difference in regional political context. In Asia, there are a variety of regional forums offering progress on free trade agreements with many of the benefits that could be derived via integration through ASEAN, giving states in the region the option to choose among forums. Perhaps the greatest threat to ASEAN comes from Asia–Pacific Economic Cooperation (APEC), which includes 21 Pacific Rim countries including many of the members of ASEAN. However, the new Trans-Pacific Partnership being negotiated between Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, Vietnam, and the United States, again including several ASEAN members, is also a growing viable alternative to ASEAN in terms of routes for economic integration. Added to that are additional choices including the Comprehensive Economic Partnership for East Asia (CEPEA) proposed by The East Asia Summit (EAS) and the 2005 Trans-Pacific Strategic Economic Partnership Agreement (TPSEP or P4) between Brunei, Chile, New Zealand, and Singapore. Essentially nations can forum shop for the best deal on economic integration. Appendix 1 contains a list of trade agreements that can serve as alternatives to integration through ASEAN.

This multitude of alternatives leaves ASEAN competing with other regional organizations to prove itself as a worthwhile channel for economic integration. In Europe, the EU is the only viable regional organization for economic integration, thus when EU progress has slowed, members have not looked to alternative integration schemes. However, it is not entirely without competition (Appendix 2). The EU faces two similarities to ASEAN’s situation. The first is in the area of security. The North Atlantic Treaty Organization (NATO) remains at the core of European security and the Organization for Security and Cooperation in Europe (OSCE) also plays a key role, so there is competition for the EU’s Common Security and Defence Policy (CSDP). However, it should be noted that they do not compete directly with EU economic integration. Clear parallels to the competition for economic integration in Asia are present in the varied types of economic integration offered within the EU structure. There are levels of institutional belonging and even non-members in the region are tied to the EU through some of these organizational levels. There is the EU itself and within that the Eurozone. Including non-members, there is the Schengen Area and
European Economic Area (Appendix 2). These levels offer opportunities for non-members to join and also exclude some EU members who have opted-out. Essentially, the available choices are to join the EU or one of its derivatives or to remain outside of the organization. There is not a non-EU alternative viable scheme for regional economic integration available within Europe. Nations in Asia on the other hand have the very real option of forum shopping.

4. THE DYNAMICS OF REGIONAL TRADE

4.1. Inter versus Intra-Regional Trade

In addition to widely variable regional political dynamics, regional trade flows are another differentiating factor that has contributed to the direction of economic integration in the two regions. The first effect stems from patterns of intra-regional versus inter-regional trade.

The European Union has extensive intra-regional trade, accounting for more than half of all EU trade. Intra-EU trade in services made up 56.1% of exported services and 58.4% of imported services in 2010, while internal trade in goods was 63.7% of EU trade in goods (Eurostat, 2012). This trend also applies to EU foreign direct investment (FDI). Of FDI by EU member states in 2010, 56.1% of total EU-27 outward FDI was to other member states (Eurostat, 2012). This heavy concentration of internal trade has had an unavoidable effect on EU market integration in two ways. First, it is easier to integrate markets where the goods being produced are in demand within the internal market. This creates a type of cycle because as markets integrate, it becomes easier and cheaper to trade internally. This increases the incentives to trade internally, thus further increasing incentives to deepen integration and make trade even easier.

Figure 4

![Figure 4](http://scholarship.claremont.edu/urceu/vol2013/iss1/4)

ASEAN on the other hand, rather than having markets with heavy internal trade, is instead made up of countries with markets geared towards exports to other regions. As a result, Intra-ASEAN trade statistics are much lower than those observed in the EU. In 2010,
Intra-ASEAN trade made up only 25.4% of total trade as compared to above 50% for both goods and services in the EU (ASEAN, 2011). Given these conditions, the remaining barriers to trade in ASEAN have less negative externalities affecting overall ASEAN trade than similar barriers would have in the EU at this point, leaving ASEAN with less incentive to pursue deeper integration.

Table 1. ASEAN Intra-Regional Trade Levels

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intra-regional Trade Share</td>
<td>27.10%</td>
<td>26.90%</td>
<td>26.70%</td>
<td>25.90%</td>
<td>26.30%</td>
<td>25.90%</td>
</tr>
</tbody>
</table>

Source: ASEAN Merchandise Trade Statistics Database

Figure 5

Source: ASEAN Merchandise Trade Statistics Database

4.2. The Role of Regional Trade Agreements

The second key difference between regional trade dynamics in the EU and ASEAN has to do with the type and quantity of trade agreements made by the two organizations and their member states. The EU is party to a wide variety of trade agreements with different countries and regional blocs around the world, but all of these agreements are structured so as to be between the EU as a bloc, including all member states and the other negotiating party. Individual EU member states are not party to agreements made separately from the Union as under EU law such agreements would be considered discriminatory and anti-competitive. Any agreements between individual member states and other states would provide an unfair advantage in trade to those states involved, which would be contrary to the tenets of the single market. As a result, all new free trade agreements affect trade for the whole bloc equally and all members share the benefits.
However, there are no such prohibitions against individual bilateral agreements in ASEAN. In fact, the number of bilateral trade agreements entered into by Asian nations over the last decade, both inside and outside of ASEAN, has exploded. The complex system of bilateral trade negotiations that have resulted has led to the region being referred to as the “noodle bowl.” Between 2001 and 2006 alone, more than fifty trade agreements between ASEAN members and other countries were being proposed or negotiated (Sen & Srivastava, 2009). Figure 6 illustrates this rapid growth of FTAs from the low levels seen in 2000 to the wide complex web that has been created by 2013. Interestingly, there has not been a corresponding increase in intra-regional trade. In fact, the region has recently seen a decrease in intra-regional trade year over year. Thus the freedom for individual governments to enter into bilateral trade agreements has not fostered increased regional trade or economic integration in Southeast Asia. However, these alternative FTAs cannot be looked at without considering potential effects on economic integration through ASEAN. With such a wide variety of alternative paths for addressing trade issues and economic integration, it cannot have failed to effect the motivation for member states to pursue deeper integration exclusively through the channels offered by ASEAN. When the persistently low levels of intra-regional trade are added into the equation, the regional trade environment faced by ASEAN is markedly different from the environment fostering deeper integration in Europe.

![Figure 6](http://scholarship.claremont.edu/urceu/vol2013/iss1/4)

**Figure 6**

**Number of Bilateral Free Trade Agreements**

<table>
<thead>
<tr>
<th>Country</th>
<th>2000</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brunei</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Cambodia</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>Lao DPR</td>
<td>13</td>
<td>21</td>
</tr>
<tr>
<td>Indonesia</td>
<td>21</td>
<td>37</td>
</tr>
<tr>
<td>Singapore</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Malaysia</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>Myanmar</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Thailand</td>
<td>12</td>
<td>18</td>
</tr>
<tr>
<td>Vietnam</td>
<td>26</td>
<td>15</td>
</tr>
<tr>
<td>Philippines</td>
<td>1</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: ASEAN Free Trade Agreement Database

5. CONCLUSIONS

The European Union and ASEAN both set out with markedly similar goals to create a single regional bloc. Both organizations were formed in the wake of the extended violence of WWII, and in ASEAN’s case colonialism as well, and were aimed at creating peace in their respective regions through regional interconnectedness. Both blocs also chose to pursue market integration to improve economic competitiveness vis-à-vis their neighbors and other regional and global hegemons. They set out the same long term goals, including freedom of movement for goods, services, capital and labor. However, they pursued these goals with extremely different contexts shaping their efforts. As a result of a variety of factors, we now find these blocs in different stages of market integration moving towards very different final products. The goal of this paper is not to pass judgment upon either region or to rank their efforts or successes, but rather to analyze the factors that affect how regional market integration is achieved and consider their effects in shaping the trajectories of these two cases.

The institutionalization of regional market integration projects is a core factor in shaping their long term prospects. In this area, the EU and ASEAN made vastly different choices.
The driving impetus behind the shape of EU institutions at the outset ensured that its members were firmly embedded within the European system, united by trade and joint control of factors of production. No war on the scale of WWII could ever sweep the continent again. Thus, over time EU institutions took on extensive supranational authority. Decision making rules were adjusted to allow EU institutions to push forward without complete consensus, or vetoes from individual nations. Institutions were given the power to bring sanctions against EU member states for not implementing supranational directives and the ECJ provided a judicial remedy for constitutional disobedience. The combination of these choices allowed any of a number of institutions to provide momentum for integration in the case of obstacles in other institutions or wavering national enthusiasm. While the road to EU economic integration was not a foregone conclusion, these institutional structures provided the foundation for progress.

ASEAN chose a different set of priorities when constructing their institutions. Many of ASEAN’s member states had recently emerged from colonialism and as a result were disinclined to enter into any agreement that might result in the degradation or cession of recent hard won sovereignty. Thus when shaping the norms and decision making rules that would be the foundation for the future of the organization, they favored consensus and the assurance that no voice would ever be drowned out by the majority. In the same vein, they selected a policy of non-interference in national affairs. By nature, this precluded anything to the effect of a judicial remedy that would enforce the removal of barriers to trade on the national level. Thus ASEAN chose a normative approach essential to the identity they wanted to cultivate over an expediency that might have resulted in a faster integration process.

The regional context for the two blocs is also radically different. The EU has two strong internal hegemons, whose partnership has been a major motivator for economic integration and faced little competition from other avenues for regional economic integration. While there had been prior attempts, once the European Communities were created, no other major path for regional integration presented itself. It was certainly possible for countries not to join the growing regional bloc or to join in part, but there was no viable alternative body with which to pursue regional economic integration. As a result, the EU was able to go through periods of strong and then flagging progress without losing ground to a competitor. Thus, as the region expanded, especially after the fall of the Soviet Union, all countries in the region wishing to participate in a regional economic integration project applied for membership to the EC and then the EU.

ASEAN, on the other hand, was founded to integrate Southeast Asian nations, knowingly in the face of other regional powers and groupings. From the outset, they faced growing external economic hegemons with the economic expansion of first Japan and Korea, and then China and India overtaking their predecessors. This had several effects on ASEAN, on one hand the need to unite as a bloc to be competitive became more apparent, but at the same time many more opportunities for economic alliance presented themselves, both bilaterally and multilaterally. Thus for the members of ASEAN and for nations throughout Asia, the option to forum shop through economic agreements became real, forcing ASEAN to compete against other growing possibilities, a process made more difficult by the relatively slow progress towards integration produced by its normative foundations.

Finally, the realities of regional trade conditions faced by each bloc had an important effect on integration. As the EC came into existence, Europe almost simultaneously went through the General Agreement on Tariffs and Trade (GATT) tariff cuts. Thus, in 1962 intra-
regional trade between members already accounted for 56% of total trade, a figure which has remained steadily above 50% within the expanding trade bloc (Frankel, 1998). This degree of intra-regional trade is a strong motivating factor for removing regional trade barriers. By reducing transaction costs all members derive benefits affecting a large proportion of their total trade. Also, a core part of the body of EU law in place to protect the common market is designed to create an environment free of discrimination. Thus, any bilateral trade agreement entered by an individual state would be by definition discriminatory to other member states. As a result, all EU trade agreements are negotiated as a bloc, further incentivizing closer economic integration. Finally, EU laws have strong associated compliance mechanisms to ensure implementation on the national level, including the direct liability of states for non-implementation established by the Francovich case.

ASEAN again faced quite different conditions with economies that are largely either agrarian aimed at domestic consumption or producers of goods for export outside of the region. Thus intra-regional trade remains quite small. It was 31% at ASEAN’s inception in 1962 and dipped to 14% in the 1980s, then returning to hover around 25%, only a small portion of total trade for members. Thus incentives to lower trade barriers in the region are lower than in the EU, where more than double the proportion of trade is affected by intra-regional trade policies. ASEAN, as part of its decision to pursue a policy of non-interference, has also not implemented binding measures preventing individual nations from entering into bilateral and multilateral trade agreements separate from the bloc, and members have taken advantage of this freedom. However, despite the explosion of bilateral-agreements, the overall level of intra-regional trade has not shown a corresponding increase. Thus incentives to pursue dramatic and further integration through ASEAN could be perceived as being relatively low.

Based on the different contexts and normative approaches taken by these two blocs, initially similar market integration projects took divergent paths. While some have called ASEAN a “talk shop,” this is at least partially the result of a deliberate choice of values and identity for the bloc. Europe, on the other hand, moved faster and is now undergoing an economic crisis. It must address the lack of a fiscal union, which was neglected during its rapid integration from the 1980s onward. Clearly, the goals created at the outset of these projects were not alone in shaping the outcome.

The EU based ‘Community Model’ of economic integration has long been the model to which other such projects have been compared. However, in the wake of the Euro-crisis and waves of enlargement not even the EU strictly conforms to this model anymore. With the additions of opt-outs and discussions of a multi-speed Europe, the classic model for regional economic integration no longer fits with quite the degree of accuracy that it once did. Given these changes, there is something important to be offered by moving away from using a static model to evaluate regional integration projects, and instead looking at integration comparatively across regions. Neither the EU nor ASEAN, represents a “correct” model for economic integration that all projects should be compared to. Rather, a comparative regional model offers an analysis that can lead to a clearer picture of what factors accelerate or slow economic integration, and what helps or hinders it across integration projects.

What shapes economic integration on the regional level? This question among others can be illuminated more clearly through comparative analysis rather than by looking at a single example. Analyzing the development of economic integration in the EU and ASEAN is the first of a number of possible comparisons of different regional integration efforts across
the globe. The introduction of comparative regionalism to the study of economic integration opens the way for a deeper level of understanding. Not only of what dynamics define a region’s approach to economic integration, but beyond its stated goals and intentions, the factors that truly direct the course of market integration projects internationally.

**Author’s Notes**
This is part of a senior thesis written for the American University Honors Program under the guidance of Dr. Michelle Egan.

**References**


Scharpf, F. (2010). The asymmetry of European integration or why the EU cannot be a ‘social market economy’. *Socio-Economic Review, 8*(2), 211–250.


### APPENDICES

#### Appendix 1. Alternative Trade Agreements and Organizations Involving ASEAN Members

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Name</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>APEC</td>
<td>Asia Pacific Economic Coop-eration</td>
<td>Australia, Brunei Darussalam, Canada, Chile, People's Republic of China, Hong Kong, Indonesia, Japan, Republic of Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Peru, Philippines, Russian Federation, Singapore, Taiwan, Thailand, United States, Vietnam</td>
</tr>
<tr>
<td>ACD</td>
<td>Asia Cooperation Dialogue</td>
<td>China, Japan, South Korea, Brunei, Cambodia, Indonesia, Laos, Philippines, Singapore, Thailand, Vietnam, India, Pakistan</td>
</tr>
<tr>
<td>ACMECS</td>
<td>Ayeywady-Chao Phraya-Mekong Econ. Strategy</td>
<td>Cambodia, Laos, Thailand, Vietnam, Myanmar</td>
</tr>
<tr>
<td>BIMP-EAGA</td>
<td>BIMP-East ASEAN Growth Area</td>
<td>Brunei, Indonesia, Malaysia, Philippines</td>
</tr>
<tr>
<td>BIMSTEC</td>
<td>Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation</td>
<td>Thailand, Bangladesh, Bhutan, India, Nepal, Sri Lanka, Myanmar</td>
</tr>
<tr>
<td>EAS</td>
<td>East Asia Summit</td>
<td>China, Japan, South Korea, Brunei, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, Vietnam, India, Australia, New Zealand</td>
</tr>
<tr>
<td>SAARC</td>
<td>South Asian Association for Regional Cooperation</td>
<td>Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka</td>
</tr>
<tr>
<td>TPSEP or P4</td>
<td>Trans-Pacific Strategic Economic Partnership Agreement</td>
<td>Brunei, Chile, New Zealand, and Singapore</td>
</tr>
<tr>
<td>TPP (under negotiation)</td>
<td>Trans-Pacific Partnership</td>
<td>Australia, Brunei Darussalam, Chile, Malaysia, New Zealand, Peru, Singapore, Vietnam, and the United States</td>
</tr>
<tr>
<td>CEPEA (Proposed)</td>
<td>Comprehensive Economic Partnership for East Asia</td>
<td>Australia, New Zealand, Japan, China, Korea, Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Viet Nam</td>
</tr>
</tbody>
</table>
## Appendix 2. Alternative Organization and Agreements Involving EU Members

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Name</th>
<th>Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU</td>
<td>European Union</td>
<td>Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, UK</td>
</tr>
<tr>
<td></td>
<td>Eurozone</td>
<td>Austria, Belgium, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, Netherlands, Portugal, Slovakia, Spain</td>
</tr>
<tr>
<td>EEA</td>
<td>European Economic Area</td>
<td>Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom</td>
</tr>
<tr>
<td></td>
<td>Schengen Agreement</td>
<td>Austria, Belgium, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland</td>
</tr>
<tr>
<td>OSCE</td>
<td>Organization for Security and Cooperation in Europe</td>
<td>Albania, Andorra, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Holy See, Hungary, Iceland, Ireland, Italy, Kazakhstan, Kyrgyzstan, Latvia, Liechtenstein, Lithuania, Luxembourg, former Yugoslav Republic of Macedonia, Malta, Moldova, Monaco, Mongolia, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Russian Federation, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Tajikistan, Turkey, Turkmenistan, Ukraine, United States, United Kingdom, Uzbekistan</td>
</tr>
<tr>
<td>NATO</td>
<td>North Atlantic Treaty Organization</td>
<td>Albania, Belgium, Bulgaria, Canada, Croatia, Czech Republic, Denmark, Estonia, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Lithuania, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Turkey, United Kingdom, United States</td>
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