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## ASEAN CHARTER

A significant step in the right direction

By Rodolfo C. Severino & Joergen Oerstroem Moeller, For The Straits Times

ASEAN'S Eminent Persons' Group (EPG) has completed its report which will form a basis for the drafting of the Asean charter. The charter will hopefully take shape when Asean next holds its summit, which will be in Singapore in November.

The EPG's report is a realistic attempt to push the integration of South-east Asia further. Considering that 10 persons with different backgrounds had to agree, the suggestions in the report strike a reasonable balance between what is desirable and what is achievable.

Much of the debate so far has focused on the thorny question of membership - expulsion, suspension or withdrawal. That is understandable, but regrettable. It may be politically desirable, even indispensable, to include this issue in the charter, but it is not the main issue for the future of Asean.

Integration should be based on mutual trust and a political will to succeed together. If one or more member states do not enjoy the confidence of the others, or one or more member states do not confide in the others, Asean faces a political more than a legal problem.

Globalisation means that many economic challenges are now better tackled together with adjacent countries than individually. This is the basic idea of economic integration. It is what justifies it in the eyes of citizens less interested in political designs than in its impact on their daily lives.

From this perspective, what can Asean do for its member states, for the international community, and for their members' citizens? What is the value added?

The report deserves unqualified praise for what it says about objectives and principles. There is neat balance between facilitating growth, developing societal norms, and providing a platform for Asean in the international community.

Asean will have to face tough questions from both its citizens and the international community in the coming years: Is Asean the right vehicle for cooperation? Does it focus on the relevant problems? Are the appropriate instruments available?

Citizens have to see that Asean is relevant to them. The international community must see Asean as a stakeholder in the international system. Integration will lose credibility if a

gap opens up between intention and reality. The scoreboard must correspond to the ambitions.

### **The lure of a single market**

THE report's suggestions about substance are the right ones. Endeavours to establish a single market need to be speeded up. A strong, vibrant and deep integration ensures purchasing power and economic clout in the region. Only a strong integration placing Asean firmly in the international picture would make South-east Asia an interesting partner for the three large Asian economies: Japan, China and India.

A supply chain is building up in East Asia, and one of the most important tasks for Asean - maybe the most important - is to carve out a place for South-east Asian economies in that chain.

Three specific areas are of particular importance in the coming years: international trade, energy and the environment.

The international trade system is not as well established as it used to be. The Doha Round aiming at further liberalisation is in a critical phase. The main point, however, is that the system may undergo changes in the coming years, possibly taking into account the widespread popularity of bilateral agreements.

Given these circumstances, individual countries may find it hard to defend their interests, lacking weight compared to the big players such as the United States and the European Union. Regional integration can provide the South-east Asian countries with a stronger platform - if they wish to use it.

Environment and energy - and probably a combination of these two questions - will dominate the international agenda in the years to come. The recent report by the United Nations about global warming is the starting point for international action on an unprecedented scale.

The Asean EPG report was written before the UN move. Asean countries should look at the necessity of beefing up the charter on these two items.

The main point is - again - that it will help the South-east Asian countries move ahead. Unilateral actions may be difficult, as they have a negative impact on the countries' respective competitive positions and put the lead country at risk. Taking measures in common obliterates this fear, as the European experience with integration so clearly shows.

On top of that, Asean may be able to influence the upcoming international rules and regulations about energy and the environment. The international agenda in the coming years will be dominated by these topics; it is not too soon to be prepared, mapping out

what South-east Asian countries would like to see happen instead of being surprised by initiatives from other countries.

It is encouraging that the EPG report, albeit a bit timidly, opens the door for decision-making without unanimity. Time will show how it will work in practice.

The point, however, is that such a rule makes member states more disposed to move towards agreement, knowing that in the end one or two of them could be isolated and a decision taken despite their opposition.

This is how the European Union works. Qualified majority voting is the norm for most items, but rarely used as member states are eager to enter into negotiations to safeguard their interest instead of putting up barren opposition that leaves them outside a compromise.

### **Lack of institutions a weakness**

THE weak part of the EPG report is the one on institutions or rather the lack of institutions. Regional integration can go some of the way without institutions, but there are limits; and Asean seems to be close to these limits.

As it is now, everything rests upon trust among member states supplemented by a Secretary-General responsible for calling member states into line. This is better than nothing, but not good enough in the longer term.

Institutions offer two indispensable things: the role as driver of the integration, and the watchdog ensuring that obligations are respected. Without a neutral body entrusted with powers and competences in these two areas, the integration may be pushed somewhat further, but not much further.

Asean is now 40 years old. It has arrived at a crossroads. It can choose between transforming itself into a substantial vehicle for integration, offering solutions to the South-east Asian countries, and struggling to prove why it is there.

The EPG report, hopefully being transformed into a charter, is a step in the right direction and a significant one, but there should be general recognition that it is a step and not the end of the road.

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