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Black cat, white cat: Lessons to be learned from ASEAN

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WIDER Working Paper 2019/26

Black cat, white cat

Lessons to be learned from ASEAN

Sandy Lowitt*

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Abstract: There is general agreement at present that the Southern African Development Community needs to re-imagine itself and breathe new life into its somewhat moribund structure. The European Union is often presented as the textbook example to be followed by other regional associations—a rules-based, heavily bureaucratic, and powerful supranational institutional structure to which individual nations have ceded sovereignty in several spheres (most notably the economy). At the other end of the integration spectrum sits the Association of Southeast Asian Nations. Based on Confucian values and culture, it emphasizes harmony, group above individual, and pragmatism above rules. In this paper, some of the key elements of the Association and its operationalization are considered, not as recommendations or a systematic alternative guide to reconsidering the conceptual basis of the Southern African Development Community’s regional integration efforts, but simply as a potential catalyst for discussion and thinking about problems from a different perspective.

Keywords: regional integration, regional associations, SADC, ASEAN

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1 Introduction

In the pursuit of deepening and broadening regional integration across member states of the Southern African Development Community (SADC) it does not make much sense to imitate the decisions and policies adopted by other countries in different regions and different contexts. That is not to say, however, that understanding the mechanisms, processes, and approaches of different regional integration endeavours may not be helpful in singling out essential factors of success, or act as a catalyst to re-imagining problems and sticking points that hamper current integration progress.

The European Union (EU) is often presented as the textbook example to be followed by other regional associations. It is based on Western values and culture—mainly derived from ancient Greek democracy and Roman law remoulded in Christian religion—which emphasize concepts like individualism, ideology, and rights. The EU is characterized by a rules-based, heavily bureaucratic, and powerful supranational institutional structure to which individual nations have ceded sovereignty in several spheres (most notably the economy). The EU has progressed in a highly linear and consecutive fashion from a free trade area to a customs union, to a single market with a common currency. Some scholars predict that a political union may also come to be. The SADC is largely based on this EU model, and its officially adopted ‘Integration Targets and Timelines’, signed by the heads of state, called for the creation of a Free Trade Agreement (FTA) by 2008, a customs union by 2010, a common market by 2015, monetary union by 2016, and a single currency by 2018. These targets and timelines have not been met and look unlikely to be achieved any time soon.

Commentators on the SADC identify a range of political, economic, and implementation explanations for its poor integration performance to date (Arndt and Roberts 2017; Clapham 2001; Collier 2007; Collier and Venables 2008; Draper 2010; Gibb 1998; Hartzenberg and Kalenga 2015; UNCTAD 2017). Looking at the conclusions and recommendations across this literature, a consensus exists on key points that the authors believe could support increased integration (especially economic integration). Nine key changes are suggested. The first four relate to the substance of integration. The remaining five relate to how improved integration might possibly be achieved.

First, it is suggested that the SADC integration agenda become more limited in breadth and concentrate on fewer priority issues. Second, it is agreed that trade facilitation and regulatory cooperation in areas related to the conduct of business across and behind borders be prioritized. Third, there is consensus that a bottom-up, business-driven agenda would be more likely to support beneficial outcomes than continued top-down programming. Fourth, there is a common view that pooling capacities to provide regional public goods to deal with core supply side constraints in the fields of energy, finance, telecoms, and transport is an important regional development strategy that should be maintained, even in a reduced integration agenda.

In relation to integration regimes and approaches there appears to be consensus across five key points. First is a growing and strong argument that it is appropriate to reconsider the strongly European-rooted conceptual foundations on which current regional integration in Africa is designed. Second, and more specifically, there is a coalescing consensus that a non-linear approach may be better suited to the region’s relatively ‘young’ states, which have differing views of statehood and the neo-classical liberal peace agenda. Third, it is argued that, given sovereignty issues across SADC, regional communities should maybe prioritize intergovernmental paths and structures in preference to supranational paths and structures. Fourth, there is broad agreement

that many SADC member states struggle with establishing viable and legitimate state institutions and state capacity at a sovereign level. A final point of consensus is that, in the light of weak state capacities, integration endeavours should avoid contributing to major implementation and capacity challenges for member states.

Deng Xiaoping famously wrote that it does not matter whether a cat is black or white; if it catches mice it is a good cat. If the EU is a black cat, the Association of Southeast Asian Nations (ASEAN) could well be thought of as a white cat. Based on Confucian values and culture, it emphasizes harmony, group above individual, and pragmatism above regulation. ASEAN is designed around principles and behaviour norms rather than rules; it is intergovernmental instead of supranational; it is more market driven than government driven; it has strong bottom-up and extra-entity processes; decision-making is based on unanimity not majority; it is institutionally and bureaucratically 'lite'; it embraces open regionalism with unclear rules for entry; and deepening integration is being achieved in an ad hoc, parallel fashion rather than a linear, consecutive fashion.

ASEAN does not represent a systematic alternative guide to reconsidering the conceptual basis of the SADC's regional integration efforts. Not only are the cultural, economic, geopolitical, and historical contexts of the regions too different to invite applicability, but the actual success of ASEAN as a regional association is moot across commentators. The aim of this paper is simply to look at a discrete set of ASEAN approaches, mechanisms, and programmes with the view to catalysing some alternative thinking on the nine points for reconsideration suggested above. The idea is that if SADC member states, the Secretariat, national politicians, policymakers, and/or scholars are beginning to actively engage with the idea of re-imagining the SADC and breathing new life into what has become a moribund structure, then perhaps some examples of what has (and has not) worked in ASEAN will be of some benefit to such deliberations. These ASEAN examples are related *not* as recommendations or solutions but as alternative ways of thinking about various facets of increased integration beyond the usual EU-centric, linear approach of most Western integration literature.

The paper begins with a broad chronology and history of ASEAN from its inauguration in 1967 to the present day. This highlights the stop-start process which has characterized Southeast Asian integration, identifies some key contextual drivers of integration, and looks at economic, social, and political achievements over the past 50 years. In 2010, a former secretary general of ASEAN wrote that 'regional economic integration seems to have become stuck in framework agreements, work programmes and master plans. ASEAN has a long history of issuing declarations, action plans and charters yet has limited capacity – and in some cases arguably intention – for implementation' (Chandra and Kumar 2010). This could easily have been written about the SADC. The paper then considers specific ASEAN processes, mechanisms, and approaches to stakeholder interactions which have contributed to its being the most durable example of regional integration in the developing world and enabled it to make some progress, albeit patchy and ad hoc. The initiatives and approaches considered part of a search for new ideas and thinking related to the nine issues identified as elements of a possible reconsideration of the evolution of SADC integration. The key issues then considered are: mechanisms to support flexibility and pragmatism when unanimous agreement on the way forward does not exist; the notion of open regionalism and extra-ASEAN entities and relations; and measures to deepen the role of the private sector in ASEAN policymaking and project implementation.

The paper then changes gear and moves from issues of approach and how problems of integration are thought about and dealt with to a brief examination of the Initiative for ASEAN Integration (IAI). This programme was designed to narrow the development gap between the 'Founding 6' ASEAN members and the later addition of the CLMV countries (Cambodia, Laos, Myanmar, and Viet Nam). The IAI may offer some interesting ideas for SADC member states that struggle to

deal with regional powerhouse issues. The IAI may also be of interest to the region's hegemon, considering any future re-imagining of the SADC and the desire to breathe new life into the community. The paper ends with a summary of the relevance of these considerations to the SADC.

2 Brief history of ASEAN

The 1950s and 1960s in Southeast Asia were characterized by regional conflicts and the emergence of post-colonial states. Newly emergent countries faced many common issues: national security and issues of border demarcation, high levels of unemployment, limited access to education and social services (and poor administrations to provide such services), concerns about food security, and rapidly growing populations. The founding members of ASEAN believed that the region's states had a shared responsibility to improve economic growth and promote regional peace, and it was this view of shared responsibility and leveraging existing bonds of solidarity that catalysed the building of a unique model of regional integration known today as ASEAN.

ASEAN was officially created in 1967 with the signing of the Bangkok Declaration by Indonesia, Malaysia, Philippines, Singapore, and Thailand. In 1984 Brunei joined the group, these states becoming known as the Founding 6. The Bangkok Declaration described how the association would go about its business based on 'behavioural norms' rather than rules. These norms were based on the concepts of *musyawarah* and *mufalcat*, which represent the consultative and unanimous nature of talks used in Indonesian traditional villages to resolve village conflicts and solve problems. The five primary norms were: non-interference in each other's internal affairs; peaceful dispute settlement; respect for territorial integrity; sovereign equality; mutual respect, tolerance, and consensual consultation. Secondary norms of how interaction should occur included: informality, pragmatism, flexibility, and personalism. This approach and these behaviours became known as 'the ASEAN Way'. Because of this approach, ASEAN developed without the supranational structures and rules of the EU and did not follow a linear progression of deepening integration. All member states were treated and considered as equal—having an equal voice at the table—and all decision-making was based on consensus. At least for the first four decades of its existence, ASEAN was essentially driven by the need to solve common problems rather than by a focused pursuit of integration goals and milestones.

The Bangkok Declaration was also unique in that, while it dealt with the need for cooperation and collaboration to deal with common domestic challenges faced by the signatory states, it clearly positioned the ASEAN integration effort as a tool to allow members to engage with global markets, players, and issues as a single entity rather than on a (weaker) individual basis. The idea was for the association to speak as the single voice of Southeast Asian centrality and thereby improve the bargaining position of the bloc in external economic and political issues (especially with the region's powerhouses of Japan and China). This centrality became increasingly important in the post-Cold-War era and during the rise of China and Japan as economic powers and centres of geopolitical significance, which threatened to marginalize ASEAN. As will be shown, this led to the ASEAN Way being a form of open regionalism quite different from that of the EU or the North American Free Trade Agreement (NAFTA) of the United States, Canada, and Mexico.

The official launch of ASEAN did little to catalyse regional cooperation and collaboration on the ground in any meaningful way. Due to the intergovernmental nature of the arrangements underpinned by the ASEAN Way, there was no ASEAN juristic person or even a secretariat, but merely a few intergovernmental meetings (mainly to discuss security issues); thus, for the first nine years of its life ASEAN made little progress. Commentators at the time, however, claimed that 'the understanding and goodwill created at various ASEAN meetings helped to lubricate

relationships which could otherwise have generated friction' (ASEAN 2017). In what was to become a recurring theme of external events catalysing ASEAN activity, the global food and energy crisis of 1973–1975 sparked an initial surge in ASEAN momentum and led to the Bali Accord of 1976.

Essentially, the mid-1970s was a turbulent global economic time, with high commodity price volatility, especially in relation to oil and basic foodstuffs. The Economic Ministers of the founding member states met and set up an intergovernmental committee to devise a collaborative solution to the oil and rice crisis and to ensure increased regional resilience in the face of global volatility. Their response focused on improving the production, supply, and trade of basic commodities across the member states. The three techniques to be employed were: selective trade liberalization in selected commodities with the long-term goal of realizing free trade; industrial complementarity agreements initiated by the private sector and facilitated by tariff concessions; and joint industrial projects developed as packaged deal arrangements. To this end they drafted and signed a preferential trade agreement, set up Joint Industrial Projects (one in each member state), and began planning for the building of shared infrastructure for energy transmission. The work and projects arising from the Bali Accord and the Economic Ministers' meeting resulted in the decision that some type of secretariat support was necessary, and about 30 staff members from member state governments were seconded to Jakarta to act as the ASEAN Secretariat. The Secretariat had no powers and simply acted as a diplomatic facilitator and organizer of intergovernmental meetings and events run by ministers and officials for member states. After an initial flurry of activity post the oil crisis, ASEAN integration and cooperation returned to its anaemic levels, with all but one of its joint industrial projects failing and intra-regional trade levels remaining low and moribund.

Economic integration in ASEAN in the late 1970s and the 1980s was always going to be a challenge for two key reasons. First, following independence in the 1960s, intra-regional economic interdependence among Asian economies was low. Most member state economies were still underdeveloped at this time and their main competitive advantages were cheap and abundant labour, which induced them to specialize in labour-intensive, unsophisticated products with low value add. Relations within the region were therefore largely competitive in nature. Second, in the 1960s and 1970s intra-regional trade was low and the most important markets for the ASEAN states were the developed markets of the USA and Europe. Against this economic background, and with many young states still defining their national character and closely guarding their newly achieved sovereignty (and markets), regional collaboration remained patchy.

The tide of collaboration began to turn at the beginning of the 1980s, mainly due to an impetus created by multinational corporations investing in Thailand and Singapore. By the 1980s, the non-communist countries of Southeast Asia had all largely turned their backs on import substitution strategies, embraced the economic approach of export-orientated growth, and sought to liberalize their economies domestically so as to make themselves attractive as offshore production bases of multinational corporations (MNCs). ASEAN member states realized that such an industrialization path would require increased investment and technology transfer, and this could most efficiently be achieved by attracting foreign direct investment (FDI) from MNCs to the region. The idea of supporting production networks across the region came with the idea that an inclusive regional 'flying geese' model could be applied, whereby investment opportunities were passed to less developed countries, as more developed countries' industrial bases became more sophisticated and specialized. This was seen most prominently in the automotive and electronics sectors, which required large numbers of parts and components in their final products. Regional production networks were created in which different components and parts could be produced and then assembled in different regional locations according to the presence of competitive advantages.

In 1987 these ideas were formalized in the Manila Declaration, which extended sectoral cooperation beyond the basic commodities of the 1976 Bali Accord and importantly led to the signing of the ASEAN Investment Guarantee Agreement to support MNC investment promotion and protection across the member states. This cooperation cascaded into the signing of the 1992 ASEAN Free Trade Area and a Common Effective Preferential Tariff Scheme. This was further bolstered in 1998 by the Framework Agreement on an ASEAN Investment Area, intended to bring about a competitive, liberal, and transparent environment for investment across the region.

In 1995 Viet Nam joined ASEAN, followed by Lao People's Republic and Myanmar in 1997, and Cambodia in 1999 (the 'CLMV states'). This resulted in the 10-member ASEAN which exists today. As will be explained later, the inclusion of the CLMV states created an additional challenge for ASEAN, given the relative lack of economic and social development which characterized these members relative to the more developed status of the Founding 6. The fear of a two-tier ASEAN resulted in specific programming and policy decisions to narrow the development gap between the two groups as an imperative for ASEAN as a whole.

Like the 1973 oil and food crisis and the global financial crisis of 1987, the 1997 Asian financial crisis again saw a huge step forward in the level and commitment of cooperation between ASEAN member states. Global players and markets were unimpressed by the ASEAN response to the Asian financial crisis and ASEAN was condemned in the international community for 'ineffectiveness and its inability to co-ordinate an organised response' (Ruland 2008). The 1997 crisis became the turning point for ASEAN and led to the ASEAN 2020 Vision (1997), the ASEAN Hanoi Action Plan to rapidly and radically liberalize all regional economic connections (1998), and the announcement of the creation of three ASEAN communities: an Economic Community, a social-cultural community, and political-security community (2003). These three communities were to be achieved by 2025 and were the new blueprint for the structure and architecture of a more integrated ASEAN region. The ASEAN Economic Community is based on four mutually reinforcing pillars: a single market and production base, a highly competitive region, a region of equitable economic development, and a region fully integrated into the global economy. Crucial in achieving these communities was the adoption of the ASEAN Charter (2007), which was a watershed moment for the association.

The Charter was ratified and came into effect in 2008, creating a firm foundation for achieving the goals of the three ASEAN communities, which were enshrined in the 2020 Vision. The Charter turned what was in reality *de facto* regionalization into *de jure* cooperation, as for the first time ASEAN became a legal entity able to enter into contracts and both impose obligations on and support the rights of member states. The Charter was seen as an attempt to supplement the ASEAN Way with a culture of adherence to rules while maintaining the key pillars of national sovereignty and consensus building. Besides providing for a legal entity, the Charter also strongly focused on institution building and structure and set up (for the first time) an expanded Secretariat and ASEAN organs for implementation and the monitoring of implementation. The Charter also, for the first time, established a dispute-settlement mechanism. Thus only since 2008 has the ASEAN Secretariat acted as an implementer rather than a mere facilitator, although, as will be seen, the lack of buy-in to a supranational organizational regime means that business is still conducted primarily in on intergovernmental basis, where member state 'points of focus' remain the primary implementers of joint programming and projects. Indeed in 2017 the ASEAN Secretariat comprised 300 full-time employees compared with the 55,000 employed by the EU.

As the Asian Development Bank described it (reported in Chandra and Kumar 2010), regionalism in ASEAN is a much less ambitious process than in Europe. It involves only a few, lean institutions, with limited power from national authorities to predominantly manage external shocks

and to provide effective regional public goods. Despite this, ASEAN is credited with some substantial successes.

The bulk of the paper to follow deals with the successes and failures of the ASEAN Way of increased regional collaboration and cooperation across various issues. As a last introductory and contextual input, however, it is useful to look at some key economic and social regional indicators to create some sense of how increased regional integration across ASEAN member states has actually impacted the lives of the region's citizens. Commentators are divided as to whether the positive results achieved across the 10 member states since the inauguration of ASEAN in 1967 are due to the integration agenda and efforts of member state collective action, or whether they are attributable to the domestic, high-growth, export-orientated economic policies pursued by individual member states across the region (Narine 2007). It is likely that the answer is a combination of the two.

Overall economic progress across the 10 ASEAN member states from 1967 to 2016 is highly impressive. Table 1 shows that gross domestic product (GDP) per capita in ASEAN in 1967 was a mere US\$122 but rose to an amazing US\$4,021 in five decades. The value of the regional economy increased from US\$0.02 trillion to US\$2.55 trillion, driven by an average annual GDP growth rate of 5 per cent across all member states over the 50-year period.

Table 1: Economic progress ASEAN, 1967–2016

	1967	1984	1995	1997	1999	2016
GDP/capita US\$	122	765	1,556	1,491	1,135	4,021
GDP US\$ (trillion)	0.02	0.22	0.65	0.72	0.58	2.55
GDP annual growth rate	4.3	4.4	8.1	4.5	3.4	4.8

Source: ASEAN (2017).

Table 2 indicates the evolution of overall ASEAN trade, with the export-orientated growth policies of member states making themselves evident not only in the massive increase in the value of regional exports but also in the substantial increase in the regional trade-to-GDP ratio. At the same time as trade volumes and values were increasing, there was a compositional shift in the make-up of exports, with agricultural raw material, which accounted for 32 per cent of total exports in 1967, dropping to just 2 per cent of total exports by 2016, while manufactured exports, which were just 9 per cent of exports in 1967, accounted for 66 per cent of ASEAN exports by 2016 (ASEAN 2017).

Table 2: Evolution of ASEAN trade (US\$ million)

	1967	1984	1999	2010	2016
Exports	4,451	76,478	354,584	1,051,614	1,141,832
Imports	5,256	72,852	293,761	957,502	1,076,702
Trade balance	-805	3,626	60,823	94,112	65,130
Trade/GDP ratio (%)	43	69	112	104	87

Source: ASEAN (2017).

As noted above, the growth of the ASEAN member states' trade with the rest of the world is more important than intra-regional trade, given the comparable products. Although figures are sketchy, it is estimated that in 1984 intra-regional trade among ASEAN member states stood at a mere 5 per cent. This increased to 16.5 per cent in 1995 and reached its highest point of 28 per cent in 2010 before falling back to 26 per cent in 2016. In dollar terms the value of intra-regional trade quadrupled between 2001 and 2013. Trade in services has also recently taken off, with an overall trade deficit of US\$12 billion for the region being converted to a US\$13 billion surplus between 1999 and 2016. This amounts to a massive growth rate of 10.3 per cent per annum for the period.

Also, as expected given the member state growth strategies and the role of MNCs in the region, ASEAN enjoyed massive FDI inflows from the rest of the world, with intra-regional FDI remaining small, although it does increase from 15 per cent of net inflows in 1997 to 25 per cent in 2016 (Figure 3).

Table 3: FDI net inflows (US\$ million)

	Intra-ASEAN	Rest of world
1984		3,041
1995	4,654	28,164
1997	5,236	34,082
1999	1,784	27,375
2005	4,493	41,878
2010	16,403	108,174
2016	23,954	95,732

Source: ASEAN (2017).

The ASEAN Way—the central driver of the ASEAN approach and rationale for cooperation and collaboration—has always been based on a people-centric view, i.e. that regional integration should benefit the people on the ground. Nowhere are ASEAN’s successes more apparent than in its achievements related to living conditions and poverty. This is despite the reality that in 1967 ASEAN had a population of just 185 million, which by 2016 had increased to 634 million. In addition, while urbanization rates were just 21 per cent in 1967, they had increased to 38 per cent in 1999 and a massive 49 per cent in 2016. Despite these population and urbanization pressures, the combination of domestic economic growth policies, and collaboration and cooperation under increased regional integration, poverty levels across ASEAN decreased from 47 per cent in 1990 to just 14 per cent in 2016. Life expectancy increased from 56 years in 1967 to 71 years in 2016, malnourishment fell from 30 per cent in 1991 to 9 per cent in 2016, infant mortality rates fell from 89 per 1,000 births to 26 per 1,000, and tertiary education enrolment increased from 18 per cent in 1999 to 36 per cent in 2016. Internet access, which stood at 25 per 1,000 in 2000, rose to 187 per 1,000 in 2010 and to 378 in 2016—an access increase of more than 1,000 per cent in just 15 years.

While these trends and achievements are interesting and suggest that ASEAN is doing something right, perhaps the most interesting and relevant aspect of ASEAN progress in the SADC context is its progress in narrowing the development gap between its most and least developed members—a proactive policy choice seen as crucial for the maintenance and stability of the region and its ongoing commitment to increased economic integration. The CLMV countries joined ASEAN late and are the least developed of the 10 ASEAN member states. When the CLMV countries joined, their average GDP per capita was US\$300 compared with the average US\$1,453 of the Founding 6 member states. Collective CLMV exports amounted to just US\$13.5 billion compared with the rest of ASEAN’s US\$341 billion, and tourist arrivals were just 2.9 million compared with the Founding 6’s inflow of 31 million per annum. In fear of establishing a two-tier ASEAN, the member states devised the IAI, which was a framework of regional cooperation designed specifically to assist CLMV countries to effectively participate in and benefit from the regional integration process. The work programme and capacity-building initiatives undertaken under the auspices of IAI are dealt with below, but Table 4 highlights the tremendous achievements and success of the integration of the CLMV countries into ASEAN in a short 17 years. While once again it is impossible to decompose the impact of ASEAN versus sovereign domestic policies on these accomplishments, given the direct nature of several IAI activities it is reasonable to assert that ASEAN did contribute positively to the growth and upgrading of the economic performance of the CLMV member states.

Table 4: CLMV and ASEAN 6 comparative statistics, 1999–2016

	CLMV 1999	ASEAN 6 1999	CLMV 2016	ASEAN 2016
Average annual GDP growth rate (%)	6.6	3	6.1	4.6
GDP/capita (US\$)	300	1,453	1,803	4,816
Exports (US\$ billions)	13.5	341	202	940
Imports (US\$ billions)	14	279	206	870
FDI (US\$ billions)	2.1	25	19	77
Tourist arrivals	2.9	31	25	93

Source: ASEAN (2017).

Whereas in 1999 the GDP per capita of the ASEAN 6 was five times that of the CLMV countries, that gap has now fallen to 2.7 times. Whereas trade in goods from the CLMV countries contributed just 4.3 per cent of traded goods in 1999, by 2016 this had increased to 18.4 per cent. Tourist arrivals in the CLMVs used to account for only 8.4 per cent of ASEAN tourism, whereas today they constitute 21 per cent. Indeed in terms of overall average GDP growth CLMV nations managed a 6.1 per cent growth rate compared with the Founding 6's 4.6 per cent.

This snapshot of various metrics suggests that many things are moving in the right direction in ASEAN and across individual ASEAN member states. If similar metrics were proposed to the SADC as achievable over the next 50 years, it is unlikely that anyone would be uninterested or disappointed in such possible achievements. As mentioned, it is impossible to decompose the influence of national domestic policy and integration activities in the achievement of the above successes. The most common view is that both are important contributors and that a virtuous circle has been created between member state sovereign policies and the integration policies of ASEAN. On this basis, Section 3 considers specific approaches and programming that have contributed to areas of ASEAN success.

3 Talk, trust, consensus, and institutions as mechanisms of transition

Acharya (1997) suggests that the ASEAN Way based on non-interference in each other's internal affairs, peaceful dispute settlement, respect for territorial integrity, sovereign equality, and mutual respect, tolerance, and consensual consultation is not what makes it unique (it is similar in these regards to, for example, the United Nations Charter). Rather, he suggests that it is the manner in which these norms are operationalized into a framework of regional interaction that is unique. Indeed, many commentators suggest that the lessons which can be learned from ASEAN are less about the substance and structure of multilateral interaction than about the process through which such interactions are carried out. In strong contrast to the adversarial posturing and legalistic decision-making procedures in Western multilateral negotiations, the ASEAN Way involves a high degree of discretion, informality, consensus building, and non-confrontational bargaining. This allows agendas, institutions, and mechanisms to evolve and change continuously and ensures that momentum is maintained.

ASEAN has a strong preference for informality and the term 'sports shirt diplomacy' emerged after the five heads of state who negotiated the creation of the association finally resolved their differences on the golf course after official discussions for the day had concluded. Former foreign secretary of Philippines Carlos Romulo famously said: 'we find that private talks over breakfast prove more important than formal meetings' (quoted in Acharya 1997). Informal interpersonal relations are viewed as crucial in building trust and creating space for collaboration. In this system interpersonal relationships between heads of state and member state ministers are crucial as they provide the political will and impetus for collaboration in the absence of either rules or a strong

secretariat, as in the EU approach. Tools to support deeper interpersonal relationships include the arrangement of joint overseas trips and travel opportunities among heads of state and member state ministers to provide bonding experiences, and the scheduling of interpersonal activities after formal meetings.

ASEAN carries this emphasis on personal relationships and informality into its dialogue processes, which are often unstructured, with no clear format for decision-making or implementation. Agendas are often absent, and issues are raised and negotiated on an ad hoc basis when they become important. ASEAN schedules more than 1,000 meetings a year. This has led many Western commentators to label the organization a ‘talk shop’, the phrase being intended to be pejorative. But from the ASEAN perspective all talking is good. ASEAN is acutely aware of the diversity of its members and it seeks to normalize relations where animosity exists rather than aim to convert it into harmony. This is primarily achieved through talking, which is seen as crucial; all conversations are viewed as positive and constructive in so far as they contribute to building trust, clarifying positions, and creating social ties. The approach embraces the idea of ‘making haste slowly’ and Singaporean academic Kishore Mabbubani is quoted as saying that ‘ASEAN moves like a crab – one step forward, two steps backward and one step sideways’ (ASEAN online). This results in a slower integration progress on the ground, but it makes collaboration at a political level more viable in the long run and ensures that there is always some momentum in the system, so that it never becomes moribund or paralysed.

The ability to embrace momentum (however slow) is supported by a flexible approach to institutional arrangements and processes to be followed. Institutions and processes are viewed as an ‘arena’ for communication, deliberation, argumentation, persuasion, and socialization among actors. Institutional arrangements and processes in ASEAN tend to be ad hoc and designed specifically to suit the problem at hand. Formal guidelines for project activation, templates and work plan steps to be followed, committees, and sign-offs to be collected are not part of the ASEAN Way. Rather, because of strong political leadership and weak secretariat support, the intergovernmental way of making things happen is for political leaders to meet and discuss the best place and method for action relating to a particular issue (the term ‘focal point’ is often used). Focal points can be a specially designated Eminent Persons Group, a high-level task team, a team of member state technocrats or bureaucrats, or a relationship forged with an extra-ASEAN service provider such as a think tank or university. As a result, flexible and bespoke institutional and process arrangements are made on an ad hoc basis. These approaches sometimes work and sometimes fail. A characteristic of this ad hocery, however, is that ASEAN is increasingly concerned with implementation and the achievement of goals. Thus, there are substantial and sophisticated monitoring and evaluation systems and if a bespoke process or mechanism is failing to achieve its desired outcomes, the feedback system is such that process drivers (usually at the political level) re-engage and rework processes and mechanisms to achieve better outcomes. Certainly, one of the characteristics of the ASEAN Way which does provide food for thought for most regional integration initiatives is its ability to rework, redesign, recalibrate, and evolve implementation mechanisms and processes on a continuous basis. Institutional, process, and project evolution and flexibility in implementation are thus crucial elements of the resilience of the ASEAN Way and its ability to make haste slowly. They are also the characteristics that allow the association to remain relevant given external changes and shocks such as geopolitical regional shifts and global financial crises.

A final (and crucial) element in the ASEAN Way to increased integration is the idea of consensus. According to the principal norms which determine the ASEAN Way all member states have an equal voice at the table and no one country has more power or greater influence than another. Decision-making within ASEAN is based on consensus. Consensus is seen as the search for an amalgamation of the most acceptable views of each and every member in a setting where all parties

have power over each other. Consensus is not the same as unanimity and does not require 100 per cent agreement by all parties, but it does require that no member state officially disagrees. In the ASEAN approach, consensus represents a commitment to finding a way of moving forward by establishing what seems to have broad support, and it is viewed as the crucial requirement to addressing the differences that exist across member states. As a prior secretary general of ASEAN said, not everyone will always be comfortable, but they tend to go along as long as their basic interests are not disregarded.

Open discussion, building personal relations and trust, seeking consensus, and using flexible processes and mechanisms are not just abstract notions in ASEAN. They are meaningfully activated in flexible participation formulas known as ASEAN minus X (ASEAN-X) and ASEAN two plus X (2+X).

The unique ASEAN-X formula was introduced in the 1980s when the grouping began to implement various tariff reduction programmes to promote intra-regional trade. Some ASEAN member states were able to overcome domestic difficulties to reduce required tariff barriers while others were unable to meet such requirements. The latter group requested additional time for compliance, some members asking for different treatment. The granting of these concessions became known as the 'ASEAN minus X' formula. In this scheme momentum is maintained, as countries which are ready to participate can go ahead, while non-ready members are free to join in later. A crucial point to emphasize is that in the ASEAN minus X formula all member states must agree to the economic scheme (consensus) even if some are not ready to participate at a given time. This formalized two-speed approach can be implemented in any economic integration scheme according to the ASEAN Charter. It is also used substantially in the security-political arena, where ASEAN members, for example, need to express a consensus view on the actions of a regional third party in a possible border dispute (as happened with the South China Sea issue).

More recently, ASEAN has begun to use the 2+X formula, which is a more extreme version of the ASEAN-X formula. In the 2+X formula two member states which are ready to go ahead with an initiative can enter into a bilateral agreement and begin implementing a scheme as long as other member states are free to join the initiative on the same terms when they are ready. This approach aims to create a domino effect and shows by example the benefits of undertaking a specific collaborative programme. This, for example, worked when Singapore, frustrated by the lack of ASEAN progress on harmonizing standards, signed an agreement with Thailand to harmonize standards and technical regulations across three product categories—a step which three years later two other member states also took.

Many commentators suggest that this 'showing by doing' and 'leading by example' approach at a small scale has a demonstration effect that creates a fertile environment for increased integration over time. Some commentators argue that the approach undermines the overall unity of the association and creates a 'noodle bowl' of trade and cooperation agreements. Others see this noodle bowl as a building block rather than a stumbling block. Acharya (1997) suggests that all these tools and approaches allow ASEAN to experiment with different forms of multilateralism in different contexts. Overall, given the ASEAN Way's key focus on pragmatism and problem-solving, it appears that the ASEAN-X and 2+X formulas have indeed been useful delivery mechanisms for increased integration, albeit in an ad hoc manner.

4 Open regionalism, extra-ASEAN entities, and expanded networks of stakeholders

Open regionalism describes an approach whereby ASEAN seeks to cooperate formally with non-member states in its normal, day-to-day approach to integration. This approach is driven partly by the philosophy of the ASEAN Way and partly by the geopolitical context within which ASEAN operates (in the back yard of Japan, South Korea, and most importantly China). From the beginning ASEAN set out to be a central unified voice for the region's smaller nations and sought to ensure that the association was not marginalized vis-a-vis larger trading blocs such as the EU and NAFTA. ASEAN also aimed to ensure that its members were protected from the potential crowding-out effect of China (and possibly India in the future), whereby crucial regional FDI would be diverted away from member states. The ASEAN predisposition towards problem-solving, pragmatism, flexibility, and continual evolution made it obvious that the association would be open and willing to interact with any country which would assist in achieving the overall aims of the association. This concept applied to external organizations and groups of stakeholders (such as business associations in other countries, sectoral bodies representing sub-regional areas, and input organizations such as think tanks and universities). ASEAN's approach to open regionalism and open stakeholder engagement is therefore simply an extension of its internal operations, as discussed above. As will be shown, this allows ASEAN to make progress simultaneously on two fronts: internally and externally—a joint activity list which ensures that momentum and pockets of success continue to accumulate in a process of rolling (and often ad hoc) integration.

ASEAN regionalism has been continuously accumulated in a somewhat random manner over the past five decades. ASEAN believes that community building is an ongoing process, the achievement of which cannot be just sanctioned by declaration. The ASEAN Way holds that deeper and broader integration will only be realized through multiple agreements and plans of action across all sectors, all stakeholders, and all geographical variations. In the ASEAN view regionalism must therefore be approached through increasingly robust institution-building and with the support and cooperation of partners and other external parties around the world. The success of the association in this regard can be seen by the fact that 87 countries and organizations have appointed official Ambassadors to ASEAN to represent their interests in dealing with the association. Indeed Severino (2007) goes so far as to say that 'ASEAN has achieved such a level of strategic prominence that many countries are beating a path to its door in order to be associated with it in one way or another'. This may be something of an exaggeration, but certainly ASEAN has been highly adept in partnering to advance the interests of its members at a broader regional and global level, and this has resulted in substantial economic and growth dividends.

The open regionalism approach is most apparent in three sets of activities: the creation of regional, trans-regional, and sub-regional institutions and work programmes; the formalization and approach to working with development partners; and methods of working with the private sector, sub- and trans-regional sector bodies, and institutes, universities, think tanks, and other institutions that can contribute to the association's cooperation agenda. Relations with the private sector are looked at in the next section in more detail and in a broader context.

ASEAN deepens regional and global integration and interdependence by not being shy of entering into agreements and setting up specific institutions with budgets and work plans to achieve projects, programmes, and other deepening integration activities at a regional level, a trans-regional level, and a sub-regional level. At a sub-regional level, ASEAN seeks to enhance the attractiveness of investment in 'continuous areas' by combining their comparative advantage and exploiting economic complementarities and economies of scale even if such continuous areas stretch across multiple member state borders, and/or across borders of non-member states. For example, two of ASEAN's flagship sub-regional projects are the ASEAN Mekong Basin Development

Cooperation (AMBDC), which cuts across ASEAN nations in the area adjacent to China's Mekong Delta area; and the Brunei-Indonesia, Malaysia, and Philippines East Asia Growth Area (BIMP-EAGA), which includes rural areas of just four of ASEAN's richest natural resource nations. In both instances a 'focus' or 'actionable' area different from the ASEAN 10 becomes the geographical basis for cooperation and integration initiatives.

In the case of the AMBDC, the key motivation and focus of the sub-regional cooperation is improving the land transport infrastructure between areas on the Mekong river banks and those not adjacent to the river. The building of two railway lines (into China) is seen as a necessary step to improve, increase, and deepen economic integration and ties in the region that functions as a unit because of the river and the concentration of economic activity along its banks. In contrast, the BIMP-EAGA focus area is the rural parts of the four participating member states, which are adjacent to each other but far from any urban centres. The sub-region focused on is characterized by high levels of agriculture and areas of outstanding natural beauty, rainforests, and marine biodiversity. This sub-regional project thus focuses on the facilitation of increased and more integrated tourism activity, increased agro-processing, and trade in agro-processed goods. In both cases, an individual extra-ASEAN entity has been created to manage and control the project. Each entity has a budget and work programme and a coordination and communication mechanism. Each entity also has the ability to create external but associated entities, most especially with the private sector. For example, there is an AMBDC Business Association, which formally represents the interests and concerns of the private sector in the sub-region, while in the BIMP-EAGA a sectoral tourism industry association has been formally established. This cascade of institution-building allows dialogue at an appropriate level and between appropriate counterparts and creates trust and cooperation such that while both of these initiatives have been slow to make progress on the ground they both continue to exist and are, in the traditional ASEAN Way, 'making haste slowly' by deepening ties and personal relations.

While ASEAN has the ability to develop institutional infrastructure and architecture to deal with sub-regional development opportunities, both between member states and with parties external to ASEAN, perhaps it has been even more successful in its ability to develop increased integration at a broader regional and even trans-regional level through its ASEAN + and latterly ASEAN ++ models. Basically, the association has no rules or philosophical or practical impediments that limit its ability to establish specific cooperation opportunities with any outside country or bloc of countries (such as the EU or NAFTA). ASEAN is also not averse to adding new countries to an ASEAN + scenario (expanding it to an ASEAN ++ scenario if required). It is ASEAN's relentless pursuit of all of these various regional and trans-regional opportunities that has led to its international prominence, its ability to box above its weight grade and to ensure that the 'might is right' principle does not take a firm hold in a geographic area where past and future economic powerhouses operate (Japan, Korea, China, and India). ASEAN's transnational forum participation has been driven by the need to create platforms for major powers and smaller regional countries (ASEAN members) to engage in security, political, and economic dialogue and communication. The most famous three transnational fora that ASEAN has facilitated and whose programmes of work it now manages are the Regional Comprehensive Economic Partnership (RCEP), the East Asia Summit (EAS), and the Asian Regional Forum. The RCEP includes the ASEAN 10 and Australia, New Zealand, China, Japan, India, and South Korea. The RCEP is the largest single regional bloc in the world, comprising a market of 3.4 billion people and accounting for 39 per cent of the world's GDP (ASEAN online). Progress on the RCEP is slow but it has established its own institutional body, it has an operating budget, and a work plan is being negotiated to conclude a free trade agreement among the parties as well as a range of infrastructure development programmes and capacity upgrading initiatives.

Even more ambitious than the RCEP is the EAS, created in 2011. This outreach initiative covers the broader Asian Region (the RCEP nations) and Russia and the United States. At present it exists only as a talk shop but some consensus has already been achieved on views related to climate change, energy, and the environment. Other topics of conversation raised at the Summit include issues of financial contagion, free trade agreements, and market access. Participants in the Summit agree that a meaningful relationship between them is 30 to 50 years away, which demonstrates that even with a 50-year time horizon ASEAN members believe starting a dialogue to be a worthwhile exercise to which they are willing to allocate resources.

The Asian Regional Forum (also driven and managed by ASEAN) is the largest extra-ASEAN grouping and includes the participants of EAS as well as Canada and the EU. Its agenda is mainly concerned with political security and peace.

The above looks at ASEAN's sub-regional and transnational activities, which are substantial and to which considerable time, effort, and resources have been applied. But perhaps its most important initiative has been the creation of the ASEAN Plus Three (APT). This is a cooperative collaboration between ASEAN member states and the association's most important trade and investment partners—Japan, South Korea, and China. The APT has been in place since 1997 and is seen as probably the most important single factor in fostering East Asian regionalism, stability, and growth. ASEAN is the driving force behind the APT but at the 11th APT Summit in 2007 it was agreed that a separate entity be created with mechanisms of its own to follow up a cooperative work plan that would initially span 2008–2022. The APT cooperation agreement has been broadened beyond an FTA and now includes an array of areas of cooperation ranging from transnational crime, finance, tourism, agriculture, energy, mineral programming, small business development, poverty eradication, public health, science, and technology, to issues such as the civil service, governance, women, and youth. The ASEAN website documents the 65 mechanisms through which the APT operates, which include: one annual summit, 16 Ministerial Committees, 20 senior civil servant officials meetings, 20 technical level meetings, and 5 tracking meetings, which perform a monitoring and evaluation service to the summit and Ministerial Committees.

The APT has been the most successful of all the extra-ASEAN institutional developments. For example, in 2015 and 2016 the APT signed the Chaing Mai Initiative, which provides a US\$1 billion regional financial safety net for poorer nations in the event of a balance of payments crisis. Also included is the development of a local currency bond market to promote financial stability and meet the long-term investment needs of the region. Recently an APT Macroeconomic Research Office has been established to keep track of relative performance and identify macroeconomic issues in a timely fashion. The APT has also been active (and successful) in various sectoral initiatives, including increasing tourism linkages and improving the quality of regional tourism infrastructure, food security initiatives, biomass and energy development initiatives, and joint investment in natural gas infrastructure development. As will be discussed below, the APT is also intimately involved in ASEAN's programming and financing of initiatives to close the development gap between the association's Founding 6 members and the CLMV countries. At present, 16 areas of economic cooperation are being actioned under the APT.

Over and above its open regionalism activities with other nations and trading blocs, ASEAN has undertaken two interesting and informative sets of relations with external stakeholders. The first is the business community, which is dealt with in the next section. The second, is the ASEAN programme related to what it terms Dialogue Partners.

Since 1976 ASEAN has formally incorporated an external outreach programme to more developed nations, which it was hoped would be able to contribute to the association and its members' growth and development. Initially the key goals for this outreach were: (1) to secure technical assistance

for regional cooperation projects; (2) to promote trade and economic relations; and (3) to strengthen political relations with third parties. Initially ASEAN had three Dialogue Partners: Japan, the EU, and the USA. In the 1990s it added Russia, China, and India, and later Australia, New Zealand, Canada, and South Korea, so that today it has 10 official Dialogue Partners. Whereas originally ASEAN's relations with its Dialogue Partners ran as a separate initiative, over time this has morphed into a more intimate and complex relationship where such relationships run and evolve concurrently with the regional and trans-regional extra-ASEAN institutional relations described above.

Initially Dialogue Partner relations were donor–client based and Dialogue Partners had the upper hand, influencing both the agenda and the allocation of resources. Individual member states did not negotiate with donors unilaterally, but all relations were co-ordinated through ASEAN. ASEAN used donor funding for the good of the community at large, directing funds not only to joint projects such as the 1980s Joint Venture and Component Complementarity Programmes, but also to specific member states, especially for capacity building and upgrading. As the 1980s and 1990s progressed, the power relationship between ASEAN and its Dialogue Partners developed, and ASEAN was able to pivot and re-imagine its relationships and mechanisms of interaction.

Essentially because ASEAN countries (specifically the Founding 6) had progressed economically and because through extra-ASEAN routes regional integration efforts had been actioned (e.g. APT and RCEP), the donor–client relationship fell away and the relationship that replaced it was based more on a cooperation of equals and the desire to strengthen cooperation and build relationships. Thus, in the modern era, the goals for external outreach in relation to ASEAN's Dialogue Partners are: to strengthen economic cooperation between ASEAN and the Dialogue Partners, to support ASEAN integration specifically by narrowing the development gap through physical interconnectedness and capacity-building, to address transnational concerns, and to promote people-to-people contact (especially between business communities). In establishing these goals, ASEAN's Founding 6 have essentially negotiated the focusing of resources in the form of technical aid and financing for integration projects to the CLMV nations. Dialogue Partners buy into this resource allocation as they see it as the most viable way to expand the ASEAN market for both trade and investment purposes.

In terms of operationalization, ASEAN operates Post Ministerial Conferences in which ASEAN Ministers in a particular area (foreign ministers, finance ministers, or tourism ministers, for example) engage with Dialogue Partners first collectively and then on a one-to-one basis. This allows the principle of centrality to be maintained while facilitating personal relationships and space to engage with specific problems. As with other institutional arrangements, in ASEAN the Dialogue Partner programme has cascaded into a range of additional task-specific institutions and mechanisms. One example is the ASEAN-X Dialogue Partner Business Council (for example the Canada-ASEAN Business Council or the EU-ASEAN Business Council). This is a formal institution with a budget, operating procedures, and work programme that allows business people from ASEAN and the Dialogue Partner country to advocate changes in trade and investment policies and regulations that will facilitate economic cooperation and integration.

In terms of relative size, the role and contribution of ASEAN's Dialogue Partners is substantial. Given the equality principle of the ASEAN Way, all member states make an equal financial contribution to the running of the ASEAN Secretariat. This is capped at US\$1 million per country so the total budget internally generated is just US\$10 million. This is obviously augmented by contributions to other funds and institutions and forums by member states, but—to provide relative context—in 2016 ASEAN Dialogue Partners directly contributed US\$200 million to general Secretariat activities and budgets over and above unilateral, bilateral, and multilateral commitments to other extra-ASEAN projects, programmes, and institutions.

Lessons can be learned from the ASEAN extra-institutional, open regionalism approach, which embraces a wide variety of stakeholders. The first is that by adopting a similar philosophy and approach to its external relations as it does to its internal relations, ASEAN has been able to continuously make progress and maintain momentum in terms of overall increased and deepened integration between its members and with parties of strategic significance to its members. Through this approach, regional integration is pursued at all geographic and political levels, and results in a plethora of initiatives and activities, some of which bear fruit and some of which do not. Those that do not are re-purposed and amended to better suit the situation on the ground. In this ‘random’ manner ASEAN has over the past five decades initiated and activated a plethora of projects and programmes which collectively have resulted in the region being more integrated internally and externally than it was in the past.

Second, through open regionalism, extended stakeholder relations, institution-building, and relationship-development in all its various guises, ASEAN has managed to honour the association’s unity and centrality principle and create the perception of ASEAN as a powerful force greater than the sum of its parts. This perception (achieved deliberately through action) has allowed ASEAN’s participating member states a seat at the table, a profile and international muscle, and leverage far above their actual economic and political heft. It has also ensured that smaller nations are not excluded from regional trade and investment opportunities, and indeed specific policies are put in place to ensure that development gaps between member states are diminished. The steadfastness of ASEAN nations to resist being marginalized in global events and opportunities could be an interesting issue of discussion in the African context of today. Certainly, at a minimum the ASEAN experience casts a different light on the duplicate and overlapping memberships which characterize integration across the African continent. Also of great interest is the success ASEAN has enjoyed in pivoting and leveraging its relationship with its Dialogue Partners.

5 ASEAN and the private sector

The private sector is viewed as the engine of growth in ASEAN. As mentioned above, the economic imperative of ASEAN economic integration has always been about improving the performance of markets rather than integration for a more complex purpose, as seen in the EU, for example (increasing intra-regional trade as a means of reducing intra-bloc aggression). In the ASEAN Economic Community (AEC) Blueprint adopted in 2007 and officially established in 2015, ASEAN members commit themselves to striving to create a single market and single production base. This is to be achieved through agreements that facilitate the free flow of goods, skilled labour, services, and investment and capital. Moreover, the community commits itself to striving for equitable development, which in the initial round of planning for the AEC focused on the development of regional small and medium enterprises (SMEs), and the actions and programmes of the IAI, which was designed specifically to help the CLMV countries to participate in and benefit from deeper regional integration. The AEC also aims to establish a competitive economic region through interventions and cooperation aimed at dealing with standardization, harmonization, and multilateralization of competition policy reform; intellectual property rights common guidelines; energy cooperation; and cross-cutting infrastructure development such as an open skies policy and the completion of the ASEAN Highways Network project.

In all these constructs, businesses across member states are seen as direct stakeholders in the AEC, which recognizes that ‘business stakeholders’ include large companies, family-based small enterprises, and established and start-up companies, as well as the individuals behind these businesses—investors, professionals, CEOs, and industrial workers. The AEC argues that this

diversity requires relevant ASEAN and extra-ASEAN bodies to constructively engage with stakeholders. It suggests that they be invited and encouraged to actively participate in all further development of ASEAN’s economic integration agenda. Indeed, the AEC Blueprint contains a detailed section on improving relations with the private sector and acknowledges that ‘private sector inputs and partnerships are essential not only in designing regional strategies and initiatives, but also importantly in identifying impediments to realising deeper regional economic integration’ (ASEAN 2015).

Because relations with the private sector are deemed so important, the ASEAN Charter contains Rules of Procedures for Private Sector Engagement. These cover in detail procedures for modalities of engagement, criteria for engagement, level of engagement, and reporting and response mechanisms.

The apex private sector body of ASEAN is the ASEAN Business Advisory Council (A-BAC), which is the focus of this section. Although the A-BAC is the apex forum for ASEAN business relationships, 87 other private sector entities are formally recognized, including transnational external entities, professional bodies, and sectoral entities. A few examples are shown in Table 4 to illustrate the depth, specificity, and diversity of ASEAN relations with the business sector.

Table 5: Private sector organizations

Official business entity	Number of ASEAN member states formally participating in the entity
ASEAN Furniture Industries Council	7
ASEAN Automobile Federation	8
ASEAN Intellectual Property Association	9
ASEAN Academy of Engineering and Technology	10
ASEAN Business Advisory Council	10
ASEAN Ports Association	10
ASEAN Tourism Association	10
EU-ASEAN Business Council	10
US-ASEAN Business Council	10

Source: ASEAN online (accessed 2018).

The A-BAC, established in 2001, has a five-part mission:

to take the lead in co-ordinating inputs from established business councils and entities in their interactions with various ASEAN sectoral groups; to harness the collective resources of the private sector; to implement a more inclusive and consultative process involving the private sector; to assist relevant ASEAN bodies to institutionalize within each body a consultative process with lead private sector entities; and finally, to assist private sector groups to initiate investments and projects (ASEAN-BAC online).

The A-BAC is a separate corporate entity with a full-time permanent Secretariat. It receives some (minimal) funding from member state contributions via the ASEAN Secretariat as well as contributions from extra-ASEAN entities, Dialogue Partners, and an in-house fundraising effort. It reports through two main channels. First, it has direct access to the Economic Ministers Committee, which is the highest-ranking organ of ASEAN in the AEC and just below the Heads of State Summit. Second, the A-BAC has direct contact with member state heads of state at the Annual Summit. The A-BAC is thus an organization empowered at the highest level.

The outputs of the A-BAC are essentially threefold. First, it arranges an annual ASEAN Business and Investment Summit held immediately after the Annual Summit meeting of the heads of state. The purpose of the Business and Investment Summit is for ASEAN to focus on promoting the

region as an attractive and competitive business and investment destination. It also seeks to promote intra-ASEAN business and investment partnerships, as well as providing an important interface and networking opportunity between the business community and ASEAN government officials, ASEAN institutions, extra-ASEAN institutions, and especially external partners to ASEAN (which may be potential foreign direct investors).

The second and third outputs of the A-BAC are particularly interesting and may resonate in the African context. One is to act as facilitator of the relationship between the business community and ASEAN policy- and decision-makers. The A-BAC acts as a clearing house and collator of all business-identified impediments and obstacles to integration. So, for example the ASEAN Cosmetics Association or a member state representative of the Association may contact the A-BAC about a non-tariff barrier issue that has emerged relating to standards or rules of origin. The A-BAC is mandated to pass this information upwards to the relevant Ministerial Committee for that Committee to decide the most appropriate way to deal with the issue. This user-driven feedback system allows the A-BAC to directly provide inputs on how integration might be improved. The A-BAC feedback system operates at a strategic level, with integration impediments discussed and dealt with at a political and intergovernmental level through Ministers' Committees. Operational issues are dealt with at a bureaucratic level using the ASEAN Solutions for Investment, Services, and Trade (ASSIST) programme, which is considered below in more detail.

The final output of the A-BAC is to facilitate project development which crowds in private sector participation. In an earlier section the sub-regional AMBDC and BIMP-EAGA projects were considered. Both of these projects are facilitated through the A-BAC, driven by private sector participants, and 'supported' with accommodating policy through member state participation in extra-ASEAN institutions. SADC regional integration initiatives are quite au fait with such projects and schemes (for example the Maputo Corridor), so the focus here is on an alternative project undertaken by the A-BAC to crowd in private sector investment, known as the ASEAN Pioneer Project Scheme (APPS).

The APPS was proposed by the A-BAC to the heads of state at an ASEAN Summit meeting and was adopted as a practical step towards the vision of increased integration. The objective of the APPS is to create a 'green lane/fast track' mechanism for investment approvals and necessary support to encourage intra-ASEAN investments specifically. The programme is seen as a catalyst and means by which the public sector can work together with the private sector to spawn business partnerships, start-ups, or expansions of existing collaborative economic relations. The aim is that the best new companies will become homegrown ASEAN multinational corporations promoting made-in-ASEAN products, brands, and services. Initially, the A-BAC identified two priority sectors in which to look for suitable projects: tourism and agriculture. These were chosen because they were seen as the sectors in which indigenous companies were most likely to flourish and grow, as well as for their potential to generate high levels of employment.

The A-BAC plays no implementation role in the APPS. It acts merely as a conduit, providing all ASEAN chambers of commerce and industry, industry bodies, and other extra-ASEAN institutions involving the private sector, as well as specific companies and profession boards, with information about project design and the application and adjudication process. Projects must constitute a new investment and must involve at least two ASEAN economies. A project may include one ASEAN country investing in another ASEAN country, a joint venture involving two investors from two countries, or a joint venture with a non-ASEAN private sector investor as long as there is a 51 per cent ASEAN equity stake. The private sector prepares bids and then submits them to the A-BAC.

The A-BAC filters and prioritizes projects, considering and determining what support mechanisms (including incentives) would be required for the project to succeed. The A-BAC then submits these projects to the senior ASEAN Secretariat decision-maker (the Secretary General), who sends them, along with the A-BAC's recommendation, to the relevant focal point (most commonly the relevant minister in the participating member state). This focal point is required to approve or reject the project within 30 days. If the project is approved, the focal point will in most instances set up a working group to implement it and oversee progress. This working group is then required to report back to the secretary general, who passes the feedback on to the Economic Ministers Committee, and to the A-BAC, which passes feedback on to the heads of state. Through this feedback loop the identification of unresolved issues can be dealt with at ASEAN level.

The APPS is proving to be a highly attractive offering for the private sector, and large numbers of applications continue to be forthcoming, spanning all types of businesses from SMEs that want to joint venture with equivalent firms across the border to offer seamless cross-border tourism opportunities, to large local and foreign joint ventures seeking to establish a chain of three-star hotels to cater for low-budget tourists from China and India. The APPS's strength is that it facilitates the development and implementation of regional projects generated from the bottom up—i.e. from business itself. This has ensured that investment is forthcoming and certainly in the tourism industry the initiative is viewed as successful.

What the above highlights and provides in terms of lessons to be learned is that much of ASEAN's integration success in the economic arena has been driven by and directly informed by interaction with the private sector. Business and the private sector (in all its extended forms) are viewed as the driving force behind integration, and ASEAN has taken a myriad of concrete steps to institutionalize relations with the private sector and to support public sector–private sector interactions, feedback loops, and collective action in a host of systems, projects, and institutions. ASEAN, more than the EU or even NAFTA, advances the idea of bottom-up policy and programme development driven by the private sector. Key to the association's ability to follow such a path with the private sector has been the willingness and ability of the private sector to organize itself and participate in multiple (and often overlapping) institutional settings. Whereas private sector institutional depth in Africa is traditionally shallow, ASEAN has played a supportive role in encouraging institutional depth on the part of business and this has been a positive long-term investment which is paying dividends.

In concluding this section on the role of the private sector in the ASEAN approach, it is useful to identify some of ASEAN's more prosaic, low-polity, low-resource interventions that have been important in ensuring that the business community in all member states is able to leverage the benefits of improved regional integration at a corporate level.

First, ASEAN has set up ASSIST. ASSIST is a non-binding, consultative mechanism for the expedited solution of operational problems encountered by ASEAN-based enterprises on cross-border issues related to economic cooperation agreements. It operates via a portal (similar to the EU SOLVIT system), and complaining entities can expect a practical solution to an issue in a maximum of 60 days. ASSIST uses what it designates 'home contact focal points' (the entity making the complaint) and 'destination focal points' (the appropriate entity in the member state or states where the issue is being raised). Focal points may be government technocrats in the relevant member states, or sectoral associations or representative bodies such as a member state sector-specific association and its regional counterpart (as discussed above); complaints may even be passed on to the A-BAC so that they can be escalated to an Economic Committee level. ASSIST is seen as being successful in resolving day-to-day operational issues, and has also been useful in escalating more important issues to higher political levels to be dealt with strategically—possibly

through evolving new implementation approaches. An example of such an escalation was the pilot programming of the Customs Transit System implemented by Malaysia, Singapore, and Thailand.

Second, ASEAN has focused on ensuring that business operators have all the necessary information required to transact business across borders. To this end ASEAN, through the Secretariat, has established electronic portals, including the ASEAN Tariff Finder, which provides all tariff-related information under the FTA; the ASEAN Trade Repository, which provides up-to-date trade and customs information; and the ASEAN SME Service Centre, which provides SMEs with information on doing business in the region, market opportunities, and entrepreneurial skills development opportunities through the ASEAN SME Academy. There is also an ASEAN Competition website, which includes details of member states' competition policies and associated laws; and the ASEAN Intellectual Property Portal. The ASEAN Secretariat, through its Integration Monitoring Office, assists countries to populate these websites with good quality, transparent, and accurate content by supporting capacity training and upgrading programming related to each area. Different mechanisms are used, including technical assistance from Dialogue Partners, study groups with Dialogue Partners, and a programme aimed at mentoring and passing on best practice from countries with special expertise to those with less expertise. This programme of information generation has therefore had the offshoot benefit of improving capacity in weaker member states. ASEAN also runs: a centralized statistical competency to ensure that the business community can keep track of economic growth and development across member states; the ASEAN Surveillance Process, which monitors macroeconomic and financial development metrics and policies; and a peer review system whereby member countries are encouraged to adopt internationally agreed standards and codes.

All of these initiatives and approaches speak to ASEAN's belief in the centrality and importance of the private sector, not only in generating growth and deeper integration, but also in enjoying the benefits of advances in economic integration. The fabric woven between ASEAN and the private sector is flexible, pragmatic, inward- and outward-looking, bottom-up driven, and multitiered and multifaceted. Business stakeholders are engaged with at every political and geographic level such that many businesses refer to themselves as ASEAN businesses rather than businesses based in a single member state. This level of identification with the region is a significant indicator of the success of ASEAN integration.

6 Initiative for ASEAN Integration (IAI) and narrowing the development gap

In this final substantive section, the focus is shifted to a specific programme in ASEAN: the IAI. The diversity of ASEAN member states cannot be overestimated. The 10 member states, for example, cover the entire spectrum of possible political regimes. Cambodia, Indonesia, and Philippines are freewheeling democracies; Lao People's Democratic Republic and Viet Nam are communist states; Thailand is a constitutional democracy with a highly influential monarchy; Malaysia and Singapore are highly managed democracies; Myanmar is a military-dominated, authoritarian state; and Brunei is a sultanate. The size differential of the member states is also enormous. The largest of the ASEAN nations, Indonesia (the fourth most populous nation in the world) has a population of 264 million, while the smallest, Brunei, has just 450,000 people. Thailand, Philippines, and Viet Nam are large countries with populations ranging from 60 million to 90 million, while Singapore and Lao PDR each have populations of less than 5 million. To add to this physical diversity are differences in economic policy and the potential for member states to participate in integration activities, to benefit from such activities, and to ensure that accelerated market liberalization does not provoke distributional problems by inflicting negative effects on less developed economies through intensified competition.

When the ASEAN Founding 6 admitted the CLMV countries in the late 1990s, these three differences—political regime, population size, and economic policy—were identified as the major potential impediments to deeper integration, and the terms ‘a two-tier ASEAN’ and ‘the ASEAN divide’ were coined. In November 2000, the Singaporean Prime Minister, in an informal summit meeting of heads of state, proposed the idea of the IAI. The proposal was that an initiative be designed specifically to narrow the development gap between ASEAN’s old and new members and that more specifically it promote equitable economic development and alleviate poverty in the CLMV countries. The motivation was not purely the promotion of harmony and equality but a hardnosed economic and business belief that overall ASEAN growth and prospects would positively benefit from the accelerated growth of the association’s weakest members. The heads of state unanimously agreed to support the proposal and agreed in principle to make funds and human resources available for the tasks ahead.

In 2001 the ASEAN Secretariat established a Task Force on IAI comprising representatives from each CLMV country and a dedicated number of Secretariat staff. The task team worked quickly to add flesh to the bones of the initial proposal and six months later the ASEAN Ministerial Meeting of Foreign Ministers issued the Hanoi Declaration: Narrowing the Development Gap for Close ASEAN Integration. After much debate and argument, the declaration prioritized measures in four areas deemed to be the most important in reducing the divide: connective infrastructure, human resource development, information and communication technology, and the inclusion of the CLMV states in existing regional integration programmes.

The declaration called for the ‘devotion of special efforts and resources’ to the task and went on to state that for these purposes ASEAN would ‘mobilize resources (financial and human) in partnership with other Dialogue Partners, the international community and the private sector’. The declaration also stated that the CLMV states would be included in existing ASEAN agreements on preferential terms, with special treatment and support, and be given priority in relation to extra-ASEAN entities and sub-regional programming. In making these declarations, the drivers of the process were not only trying to weave the CLMV states into the existing fabric of integration efforts but also enabling the IAI to access a wide range of human and financial resources in its effort to narrow the gap. The point being stressed is that even though the IAI was set up as a separate initiative with dedicated and discrete resources, it was also designed (in a very ‘ASEAN Way’) to be integrated into existing action plans and programming in all the different ASEAN and extra-ASEAN entities. In time this strategic positioning proved to be incredibly important, as it allowed substantial financial flows to move to CLMV countries (in a preferential manner), especially for infrastructure projects in general and sub-regional infrastructure projects in particular.

The IAI has had three iterations, called Work Plans I, II, and III. The first two Work Plans stuck to the Hanoi Declaration’s focus on infrastructure, integration, ICT, and human capacity development. The last and most recent plan (2016–2020) shows that earlier versions of the IAI have been successful and that a new, more narrowly focused approach can now be adopted. In the latest Work Plan the four priority areas for narrowing the development gap relate to: food and agriculture; trade facilitation; small, medium and micro enterprises; and education. This suggests to some commentators that baseline core programming in the IAI has achieved many of its initial upgrading aims and that increased CLMV growth rates and economic sophistication, liberalization, and industrialization have progressed sufficiently that a more sectoral and specific agenda of issues can now be adopted.

The Work Plans and detailed activity determination of the IAI are based on projects meeting one (or more) of four criteria: identify a precise need in a CLMV country for external assistance; be important in terms of the CLMV’s domestic national development plan; contribute to the

effectiveness and capacity of the CLMV country to participate in ASEAN programming; and/or increase the absorptive capacity of the CLMV country.

The Work Plans all continue the role of the IAI Task Force as the apex organ to guide IAI policy, direction, and approach; to coordinate member states; to assist in the implementation of programming; and importantly to seek funding for Work Plan initiatives from various sources. The IAI Task Force is not an implementation arm but it facilitates and supports implementation by ensuring that relevant resources and personnel are mobilized. Importantly, what the IAI provides is access for CLMV members to projects and assistance without having to utilize their own capacity and capabilities, which may be scarce or even absent. As will become obvious below, these are very important functions, which free up time, space, and resources in CLMV nations. So, for example, in the absence of ASEAN membership, a CLMV country which was seeking technical donor assistance from a developed country would need to apply scarce domestic resources to researching and drafting a proposal, negotiating a request, and meeting relevant reporting obligations. In addition, as an individual country in such a negotiation, it may have a very different bargaining position from the other party. If (based on an identified and agreed need), however, the IAI undertook all the leg work, negotiation, and reporting functions, this would free up capacity and resources in the recipient country and in all likelihood a deal with better terms would be negotiated. Similarly, if the IAI is responsible for a feasibility study for an infrastructure project in a CLMV country, this removes the burden from the country to do so itself.

This example may suggest paternalism and Big Brother overshadowing. In fact, it is an attempt by ASEAN to leverage its capacity, capability, and negotiating positions (especially with its Dialogue Partners and ASEAN+3) to the benefit of the CLMV countries. It is important to note as well that to avoid creating dependency and over-reliance on the IAI Task Force, medium- and long-term capacity-building programming and technical assistance is provided to CLMV countries. This ensures that over time their capacities and capabilities improve such that they can perform these functions and tasks themselves.

In terms of resource mobilization, the IAI seeks to mobilize assistance and resources from: ASEAN, ASEAN Dialogue Partners, Development Partners (ASEAN member donors), regional and international financial institutions (the World Bank, International Monetary Fund, Asian Development Bank), the private sector, foundations, and non-governmental organizations. Over time it has emerged that most technical and capacity-building IAI work has been funded and supported technically by the association's Dialogue Partners, with Singapore and Thailand also making substantial contributions to capacity-building in trade-facilitation matters. Most IAI infrastructure programming has been funded by the private sector, the Asian Development Bank, and the internal ASEAN Development Fund. To date sub-regional extra-ASEAN entities providing IAI infrastructure have been the most successful initiatives in closing connective infrastructure gaps.

It is interesting to consider a few specific examples of projects undertaken across the various IAI Work Plans. The examples show the range of activities, the areas of focus, and the parties identified in narrowing the development gap. What emerges is a rich and innovative tapestry of support measures characterized by their narrow focus, high level of specificity, and willingness to learn from best practice and from mentors with greater knowledge in a particular area.

The first example is the four key initiatives the IAI undertook to support CLMV countries to integrate and take advantage of the freer flows of goods across borders throughout ASEAN. First, the IAI designed and launched a project to familiarize CLMV customs officials with the Common Effective Preferential Tariff (CEPT) Scheme and its practical implications. This was done through an attachment programme in which CLMV officials were seconded or placed with customs

officials of ASEAN Founding 6 member states to learn directly from them. Second, several projects were undertaken to provide technical assistance to the CLMV countries to implement the trade facilitation measures adopted by ASEAN. For example, the Canadian, Australian, and Japanese Dialogue Partners worked with customs officials on implementing a National Single Window so that this was not constrained by the capacity and resource limits of the individual nations. Third (and very interestingly), the IAI implemented an education and outreach programme for private sector companies in CLMV countries to familiarize them with the ASEAN Trade in Goods Agreement (ATIGA) and the other integration measures of the AEC in order to generate domestic momentum for trade facilitation reform, increase intra-regional trade and investment flows, and contribute to higher domestic growth rates in the CLMV domestic economy. The IAI's fourth initiative was to provide technical assistance and study groups for CLMV government officials in drafting or amending domestic legislation. Essentially, the IAI Task Force, through representatives of the CLMV countries, identified technical official capacity at a domestic level as a major impediment to implementing ASEAN integration programmes such as ATIGA. By ensuring that technocrats, bureaucrats, and legislators had the necessary technical understanding and back-up to draft supportive legislation, the IAI made sure that if there was political will on the part of a CLMV country to 'join the party', technical obstacles would not be a hindrance.

This multiple stakeholder approach was replicated in project planning around freer movement of skills, services, and capital, and proved so successful that the milestones planned in the AEC for 2020 were brought forward by five years to 2015.

The free flow of investment in ASEAN is obviously crucial given the desire to create a single production base. It is also particularly important to the CLMV countries, which, in accordance with the flying geese model, need to position themselves to receive FDI as they become the cheapest source of labour in the region (i.e. as their more developed members move up the value chain). Initial research undertaken by the IAI Task Force found that government infrastructure, capacity for investment attraction, and an enabling environment for FDI were sorely lacking. In particular, the Task Force realized that the CLMV countries would need an appropriate skills base to take advantage of FDI opportunities but that they lacked the resources to undertake skills and educational auditing and gap analysis. To overcome these deficiencies it implemented a five-pronged approach:

- First, it used its development partners, Dialogue Partners, and ASEAN development agencies to help CLMV governments build and operate databases which would provide potential investors with crucial information. This included a database on tariffs, rules, and regulations applicable to specific sectors, and investment procedures and processes. The Dialogue Partners also helped the CLMV states develop strategies for disseminating information about their investment opportunities on an ongoing basis.
- Second, the IAI facilitated the provision of technical support and internal capacity-building to review, streamline, and simplify procedures for investment applications and approvals. Yoshimatsu (2006) estimates that in Cambodia this programme shortened the process by 11 months.
- Third, the IAI Task Force (with especially its APT partners) supported a series of studies in CLMV countries to determine the necessary education system reforms and priority development areas for short-term vocational training.
- Fourth, the investment support programme included an outreach programme to familiarize the private sector in CLMV countries with the ASEAN Investment Framework and its implications, opportunities, and threats to their businesses.

- Finally, the IAI Task Force facilitated the provision of technical support to CLMV countries to submit FDI bids. As with the trade facilitation example above, the IAI approach to investment attraction deals with multiple stakeholders (bureaucrats, business, officials) but it also covers long-term strategic issues (such as reforming the education system) with immediate short-term deliverables such as new websites providing crucial information. Such programming may appear simple but for underdeveloped nations with significant constraints on fiscal resources and technical capacity and capabilities, access to these seemingly simple supports can be problematic and highly valuable.

The IAI Work Plans include over 300 specific activities aimed at narrowing the development gap and demonstrate innovative methods by which to transfer knowledge, develop capacity, and improve capabilities. According to the ASEAN Secretariat's 2015 Review of IAI Work Plan III, 63 per cent of planned work and programming was completed. Much as this is important, the true measure of the success of the IAI is to be found in the economic metric of improvements in macroeconomic performance and human development indicators, as shown in Section 2.

7 Conclusions and relevance to SADC

There is general agreement that SADC regional integration has not proceeded as envisaged and is not producing the anticipated economic benefits for its member states. The catalyst for this research paper was the growing call by African commentators to start reconsidering and re-imagining the SADC's approach to deepening regional integration and the economic benefits to be gained by increased cooperation across member states. Possible areas or themes worthy of reconsideration were identified from existing literature. These included: adopting a narrower agenda of priority issues; focusing on trade facilitation and regulatory cooperation in areas related to the conduct of business across and behind borders; and prioritizing regional public goods in energy, finance, telecoms, and transport. Other areas or themes that might attract discourse on alternative thinking were: devising a less linear approach to deeper integration; increasing intergovernmental paths and structures in place of supranationalism approaches; and reducing demands (especially implementation demands) on thin and stretched domestic capacities, capabilities, and resources in member states.

The ASEAN Way and the EU approach to regional integration could not be more different. Both work in their given contexts and in terms of the perceived and realized expectations of their members. The SADC has to date been more highly influenced by the Western EU approach, yet ASEAN represents the most durable and most successful example of regional integration across developing countries. In addition, many of the diversity and political economy issues of ASEAN member states (especially the CLMV states) more closely resemble the characteristics of SADC members than those of their EU equivalents. This suggests that the SADC could learn not only from the EU approach but from the ASEAN approach as well.

This paper in no way recommends any of the tools or approaches employed by ASEAN for applicability to the SADC now or in the future, but it does highly support the idea that understanding the ASEAN experience could help in the development of a more operationally 'pointy' and 'effective' approach to regional integration thinking in the SADC.

Key ideas that might resonate in the Sub-Saharan African context are: the potential benefits of informality and trust building, especially with leaders of relatively young states in which nation-building and sovereignty remain highly contentious issues; taking steps to increase political buy-in at a personal level (heads of state and cabinet ministers) such that technocrats and officials over

time behave in a more cooperative manner on the ground; raising levels of pragmatism and flexibility, and developing programming and projects to maintain momentum, especially in the local context where large projects often become mired in difficulties; and the ASEAN-X and 2+X formulas as a way of mobilizing the integration agenda through a demonstration effect.

Another aspect of the ASEAN approach that could be interesting in a discussion of the future of the SADC and the operationalization of its integration agenda is the role of the private sector. In ASEAN, the private sector is seen as the key stakeholder in economic integration given that private sector firms are in fact the ‘transactors’ behind trade, investment, growth, and job creation. It is private sector firms that undertake inter-business transactions and actually benefit from (or are inhibited by) integration agreements and their implementation. In the ASEAN model, the A-BAC has direct inputs into the ASEAN Summit, which comprises the heads of state. It also has direct access to various ministers’ meetings—most importantly the Economic Ministers’ Meetings. Through these two channels the business communities’ views on the direction and strategy of high-level integration policy can be articulated and debated. Beneath this strategic input, the ASEAN approach also shows multiple tools, approaches, and ideas regarding increasing and improving mechanisms by which the business community can give feedback to ASEAN on how integration measures are actually performing on the ground and where improvements are required. This occurs on a themed basis as well as on a sectoral basis. ASEAN has been particularly successful in crowding private sector investment into infrastructure and other priority projects by engaging with the private sector at industry level, sectoral level, trans-national level, and sub-regional level. In doing so, it has adopted a two-pronged approach. First, ASEAN has mainstreamed the private sector into all aspects of all ASEAN initiatives, supported by (and resulting in) a plethora of private sector institutions which operate as extra-ASEAN entities, such as an ASEAN Textile Sector Association or the EU–ASEAN Business Council. This multiplication not only supports a web of activity and high levels of momentum, it also spreads out implementation and facilitation demands across a wide variety of entities. The second prong of the ASEAN approach to the private sector is allowing the private sector to drive ASEAN projects from the bottom up. The green lane APPS and the sub-regional extra-ASEAN entities are two key examples.

What is particularly interesting is the size of the role the private sector plays at all levels of regional integration; the fact that the private sector is factored into each and every integration project and programme in multiple ways and the way it has risen to the challenge of being involved in ASEAN by actively participating in a multitude of ASEAN and extra-ASEAN entities. The private sector has been a positive influence on ASEAN integration and its powers have been actively harnessed by the association. These are lessons worth considering in any re-imagining of the SADC and how its stakeholders interact.

A final idea the SADC could consider given the ASEAN experience is that of implementing a specific programme aimed at narrowing the development gap between the community’s economically strongest and most capable members, and its economically weakest and most capacity-constrained members. The idea of narrowing the development gap as a means to increasing integration and overall community growth, and ensuring that integration has a positive economic impact and benefit for weaker economies would be highly resonant in the African context, and certainly some variation of such a scheme could be worth thinking about given the existence of South Africa as the regional hegemon.

This paper intentionally covers a lot of ground, contains a lot of process and organizational detail, straddles an array of areas and themes, and deals with strategic, high-level issues, as well as individual project plans in some instances. This is because its aim is to spark discussion on re-

imagining the SADC and its future progress—to show that, whether a cat is black or white, the essential thing is that it should catch mice.

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Appendix A: Abbreviations

A-BAC	ASEAN Business Advisory Council
AEC	ASEAN Economic Community
AMBDC	ASEAN Mekong Basin Development Cooperation
APPS	ASEAN Pioneer Project Scheme
APT	ASEAN Plus Three
ASEAN	Association of Southeast Asian Nations
ASSIST	ASEAN Solutions for Investment, Services, and Trade
ATIGA	ASEAN Trade in Goods Agreement
BIMP-EAGA	Brunei-Indonesia, Malaysia and Philippines – East Asia Growth Area
CEPT	Common Effective Preferential Tariff
CLMV	Cambodia, Laos, Myanmar, and Viet Nam
EAS	East Asia Summit
EU	European Union
FDI	foreign direct investment
FTA	Free Trade Agreement
GDP	Gross Domestic Product
IAI	Initiative for ASEAN Integration
MNCs	multinational corporations
NAFTA	North American Free Trade Agreement
RCEP	Regional Comprehensive Economic Partnership
SADC	Southern African Development Community
SMEs	small and medium enterprises