

Can ASEAN Benefit from the European Union's Experience in the Field of  
Facilitating Corporate Collaboration?

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## **ABSTRACT**

Regional integration in the Association of Southeast Asian Nations (ASEAN) received a boost in 2007 when they explicitly announced their objective to build an ASEAN Economic Community (AEC), i.e. a single market and production base in the region. Pursuing the ASEAN single market means that ASEAN shares with the European Union (EU) the common interests of developing regional economic integration, taking action to combat the cost of market fragmentation.

The aim of this thesis is to put forward suggestions directed at the realisation of the ASEAN single market in the field of economic integration and cooperation in the business sector based upon the experience of the EU in developing its internal market. To achieve this objective, the thesis investigates current conditions for business cooperation and collaboration and analyses existing barriers to effective cooperation in ASEAN. In the framework of a comparative analysis of the two regional developments where it is relevant, the analysis is mainly based on library-based research complemented by the socio-legal research method of interviewing ASEAN experts and also, businesses within ASEAN.

The major barriers identified in cross-border business activities are based on ASEAN Member Countries' protectionist techniques to control foreign inward investments. The 'ASEAN Way' of consensus-based decision-making and a lack of compliance and enforcement mechanisms and of working judicial institutions obstruct the development of efficient mechanisms for the purpose and also, the efficacy of the AEC initiatives and the ASEAN industrial economic cooperation schemes. Considering the limits of the related ASEAN instruments in facilitating corporate collaboration and promoting intra-ASEAN trade and investments, four different areas of mechanisms drawn from the EU's experience are considered. After conducting an evaluation of the viability and the potential benefits of those mechanisms in ASEAN, the thesis proposes that the most useful area, promising practical benefits, would be the introduction of uniform and universally recognised business entities to facilitate collaboration and cooperation within ASEAN. Recognition of such entities as national entities within every Member Country will help to obviate these protectionist tendencies and improve the development of intra-ASEAN trade.

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