

PROSPECTING ASEAN-MERCOSUR COOPERATION: APEC 2.0, TPP 2.0, OR EXPANDED EAS?

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ABSTRACT

The Association of Southeast Asian Nations or ASEAN is one of the regional organizations that exist in today's world. Then, Mercosur or Mercado Común del Sur (Southern Common Market) is a South American trade bloc that moves forward beyond the traditional regional bloc, because the nature of its organization lays more on economic and trade transactions, rather than politics. As globalization grows, these two regional organizations seek more deep cooperation. Nevertheless, through a comparative historical qualitative descriptive analysis, this paper argues that the cooperation will lead to both failures and failed to secure engagement because of the nature of Spaghetti Bowls (or Noodle Bowls in Asia) in the organization country member's respective economic crafts since the country members also join other trans-continental economic partnership. Moreover, both regional groups are naturally not the traditional partners of each other, thus How the ASEAN and Mercosur cooperation could benefit each other despite the nature of Spaghetti Bowls in their regionalization? Furthermore, this paper also argues that ASEAN could learn how the Mercosur model could be used for its AEC or ASEAN Economic Community since Mercosur intra-trade is more advanced than ASEAN intra-trade. Further, the comparison analysis also provided in this research.

Keywords: ASEAN, AEC, Mercosur, Trade Bloc, Regionalization

ABSTRAK

Perhimpunan Bangsa-Bangsa Asia Tenggara atau ASEAN merupakan salah satu organisasi regional yang ada di dunia saat ini. Kemudian, Mercosur atau Mercado Común del Sur (Pasar Bersama Selatan) adalah blok perdagangan Amerika Selatan yang bergerak maju melampaui blok regional tradisional, karena sifat organisasinya lebih terletak pada transaksi ekonomi dan perdagangan, daripada politik. Seiring berkembangnya globalisasi, kedua organisasi regional ini mencari kerja sama yang lebih mendalam. Namun demikian, melalui analisis deskriptif kualitatif historis komparatif, makalah ini berpendapat bahwa kerja sama tersebut akan menyebabkan kegagalan dan gagal mengamankan keterlibatan karena sifat Spaghetti Bowls (atau Noodle Bowls in Asia) dalam kerajinan ekonomi masing-masing anggota negara organisasi karena anggota negara juga bergabung dengan kemitraan ekonomi lintas benua lainnya. Selain itu, kedua kelompok regional secara alami bukanlah mitra tradisional satu sama lain, sehingga Bagaimana kerja sama ASEAN dan Mercosur dapat saling menguntungkan meskipun sifat Spaghetti Bowls dalam regionalisasi mereka? Lebih lanjut, tulisan ini juga berpendapat bahwa ASEAN dapat mempelajari bagaimana model Mercosur dapat digunakan untuk AEC atau Masyarakat Ekonomi ASEAN karena intra-perdagangan Mercosur lebih maju daripada intra-perdagangan ASEAN. Selanjutnya, analisis perbandingan juga diberikan dalam penelitian ini.

Kata kunci: ASEAN, AEC, Mercosur, Blok Dagang, Regionalisasi

INTRODUCTION

Regional Bloc and Trade Bloc

A regional bloc could be comprehended as a bunch of countries of one or the same region that make a group together or entirely. This grouping could be initiated for economic growth, trade initiatives, political reasons, cultural identity, or even security reasons. Brand (1992) explained that a regional bloc is a joining of adjacent countries to create free trade zones, economic, and monetary alliances are a worldwide phenomenon that is taking place in all regions of the world. Furthermore, Brand also stated that government has 4 options for dealing with a more internationalized market in the recent world.

First, the government must consider the threat that free economies face. Second, economic policy will seek shelter in protectionism. Third, by subsidizing particular firms, or markets, "national uphold" may be uniquely nurtured. Finally, free trade zones may be established that, due to the presence of a wide internal market, respond to increased competition by closing themselves off, or that at the very least pose a possible threat to trade. These trade zones could be the gates of the trade bloc.

A trade bloc is an economic term that leads to the enhancement of trading transaction toward trade instrument that has been institutionalized. As explained by Chase (2005), trade blocs are a mechanism and arrangements that are produced by the growth of multinational production sharing as multilateral production emerges. Moreover, Gilpin in Chase (2005) also emphasized on global economic unity is being challenged by "*each regional movement attempts to enhance its competitive position vis à vis other regions*". It means, each trade bloc is not unified and has its mechanism and arrangements that may overlap each other.

Trans-Continental Cooperation

In recent years, trade blocs grew beyond traditional regional (that may bring politically contested) maps. Association of Southeast Asian Nations or ASEAN interacts and has trade relations with East Asian countries or European Union or EU member countries for example. This logical reason may be caused by economic challenges, such as finding a new market for their products, or other reasons, such as explained by Zaheer, Begum, and Zeb (2017) that the ASEAN-EU trade relations grew deeper because of transactions that increase that may raise the necessity to reduce tariff or non-tariff barriers. Moreover, globalization is happening everywhere, it also happening in any sector, including the economy. A globalized economy means the urge to have more aligned and synchronized trade arrangements getting more enlarged.

For example, data showed by Chase (2005) explained that from 1948 until 2004, over 150 trade blocs have emerged as the proliferation of regional trade agreements. It means as time passes, the necessity to have a more fluent trading mechanism is substantial. Therefore, it is not surprising if economic cooperation arrangements at regional-level such as NAFTA, EU Single Market, Mercosur, or ASEAN Economic Community and beyond regional-level such as Asia Pacific Economic Cooperation or APEC, Trans-Pacific Partnership or TPP, or even ASEAN+3/EAS (East Asia Summit) has occurred. Therefore, economic mechanisms become tangled and intertwined with each other as regional groups and member countries dealing crisscross with other subjects on economic matters. One of the particular issues in this sector is called 'Spaghetti Bowls' or 'Noodle Bowls'. Bhagwati in Sajid (2015) explained that 'Spaghetti Bowls' or 'Noodle Bowls' is an '*interesting phenomenon in trade economics where the increasing number of Free Trade*

Agreements (FTAs) between countries slows down trade relations between them'. This term may be a stumbling block and challenge to a regional or inter-regional interaction as interests in each country may differ from others. Ergo trans-continental cooperation still becomes a relevant matter to discuss as the economy changes every time, for example, the chance of inter-regional relations like ASEAN and Mercosur.

MERCOSUR

Mercosur or *Mercado Común del Sur* (Southern Common Market) is a regional arrangement for economic and trade. Mercosur (1991) also explained Mercosur as a regional integration mechanism that was formed by Argentina, Brazil, Paraguay, and Uruguay, and later joined by Venezuela and Bolivia. Mercosur was founded in 1991 through the Treaty of Asunción. In 1994, the institutional foundation of Mercosur was formed. Then, in 1998, Mercosur declared itself as a Zone of Peace and a Zone Free of Weapons of Mass Destruction. In 2002, Mercosur finished its dispute settlement mechanism. In 2005, Mercosur started beyond trade as the Mercosur Parliament forum constitutive protocol or Parlasur established to engage more advanced trade policy in its region. Furthermore, in 2017, Mercosur established the protocol for intra-Mercosur cooperation and investment.

Further, Basnet and Pradhan (2017) argued that the Mercosur is having an economic interdependence thanks to common trends and common cycle among its countries member. It means Mercosur has markets that have a high level of macroeconomic interdependence. Then, not only fostering strong intra-relations among the Mercosur countries member, the Mercosur as an institution also aiming inter-relations with other regional groups around the globe or inter-regionalism. The inter-relations of Mercosur are occurred with the European Union or EU and with

Association of South East Asian Nations or ASEAN.

ASEAN

Association of Southeast Asian Nations or ASEAN is a regional group that consists of 10 Southeast Asian countries, namely Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. ASEAN was established in 1967 with only 5 members at the time. As stated by the ASEAN Secretariat (1967), in general, ASEAN was made to foster regional peace and stability through active collaboration and mutual support on subjects of mutual concern to stimulate economic growth, social change, and cultural development in the Southeast Asian region.

As time goes by, ASEAN grew more complex. ASEAN not only consist of their member countries but also have several dialogue partners that do not belong as ASEAN members. These dialogue partners are working closely with ASEAN as they share common interests. Pushpanathan (2003) explained that the main objectives of ASEAN's foreign policies are to secure technical assistance for regional cooperation programs, foster economic and trade relations, and improve diplomatic ties with other countries and regional groups. Under these constraints, the European Union, Japan, and the United States comprised ASEAN's first line of dialogue partners countries. However now, the partners have expanded, including several countries like South Korea, China, India, Russia, Australia, and New Zealand, which commonly together with ASEAN member countries known as the East Asia Summit.

ASEAN ECONOMIC COMMUNITY (AEC)

Furthermore, based on the explanation above, ASEAN now moving deeper in terms of regionalization of each member country as ASEAN launching the project of

ASEAN Economic Community or AEC. AEC itself is part of ASEAN Community Vision Blueprint 2025 that consists of ASEAN Political-Security Community (APSC) Blueprint 2025 and the ASEAN Socio-Cultural Community (ASCC) Blueprint 2025 (ASEAN, 2021). The ASEAN Economic Community blueprint containing five interconnected and interdependent features, which is, (i) *A Highly Integrated and Cohesive Economy*; (ii) *A Competitive, Innovative, and Dynamic ASEAN*; (iii) *Enhanced Connectivity and Sectoral Cooperation*; (iv) *A Resilient, Inclusive, People-Oriented, and People-Centred ASEAN*; and (v) *A Global ASEAN*.

The first point addressed above is *A Highly Integrated and Cohesive Economy*. It means ASEAN as a group hoping for an integrated and cohesive economic transaction between the member countries. Thus, inter-trade between member countries is expected to grow in the coming future. Then, the second point is (ii) *A Competitive, Innovative, and Dynamic ASEAN*. The second point means ASEAN as a group is bringing competition between the member countries through innovations and dynamism as the member countries have diverse economic conditions that unique and complementary to each other such as Singapore the center of finance and Indonesia that have the biggest market among ASEAN member countries. Then, the third one, that is (iii) *Enhanced Connectivity and Sectoral Cooperation*. This point indicates as ASEAN spread into continental and maritime geography, the ASEAN Economic Community bringing connection and cooperation for ASEAN member countries. The fourth point is (iv) *A Resilient, Inclusive, People-Oriented, and People-Centred ASEAN*. This point means ASEAN as a diverse region includes all the stakeholders in ASEAN member countries with resilience to crisis and dedicated to peace for its people. Finally, the last point is (v) *A Global ASEAN*. This

point signs ASEAN as a region not only visions inward but also outward and emphasizes its place in the global dynamics.

Based on the explanation above, ASEAN as a region group is already cohesive with its dialogue partners and have plans to be more integrated with its member countries. Economically speaking, when regions and constituent nations deal interlocking with other topics on economics concerns, economic processes get tingled and entangled with one another. As stated before, 'Spaghetti Bowl' or 'Noodle Bowl' is the term that refers to a major obstacle or obstacle to regional or inter-regional cooperation since each country's priorities can vary from one another as economic deals may inter-looping by one another. Therefore, this chapter determines to seek a more relevant answer on *How the ASEAN and Mercosur cooperation could benefit each other despite the nature of Spaghetti Bowls in their regionalization?*

Mercosur-ASEAN Related Research Viewpoint

To deepening and highlighting the novelty of this research, some works of literature were reviewed for bringing the gap in this issue and topic. Topics like relations and interactions between Mercosur and ASEAN become a priority to be included in this part of the study. Research like Krapohl (2015) for instance, examined the financial crises that occurred in the Mercosur and ASEAN region and argued that in ASEAN it turned to be a catalyst for financial cooperation. Then, Mattheis and Wunderlich (2017) stated that institutional capacities between the Mercosur and ASEAN toward the European Union are different in terms of institutions, recognition, and identity. In addition, Williams (1996) stated that the Mercosur grouping experience ranks number 4 behind North American Free Trade Area (NAFTA), European Union

(EU), and ASEAN in terms of population and economic bloc.

Furthermore, Robles, Jr. (2008) explained that the EU and ASEAN free trade agreement plan is a learned lesson from the failed EU-Mercosur FTA agreement negotiations. While Eul-Soo Pang (2003) stated that ASEAN and Mercosur economic markets arrived at the peak of intra-regional trading through the current political and economic model. Then, Hee Ryang-Ra (2015) argued that ASEAN+3 economic integration would be expanded and strengthened as the intra-regional economy progressed and advanced. Moreover, According to Inwon Park (2011), ASEAN countries may not meet the majority of the prerequisites for generating good welfare gains through the ASEAN Free Trade Area (AFTA). Further, Munck and Hyland (2013) argued that social transformation emphasize the significance of social movements as labor unions related to migration in a regional context, for example in the Mercosur area.

Finally, after several views that have been reviewed in this research, there is still a gap that discussing the comparison between intra-regional grouping, especially the Mercosur-ASEAN relation. This comparison is giving chance to deepen the contestation of discussion between relations of intra-regional grouping or regional organization. The Mercosur-ASEAN relation is still not well researched despite the potential outcomes for the benefit of these two largest and sustained regional groups or organizations.

RESEARCH METHOD

Comparative history research is a research method that examines something through comparison with other things in chronological order to create an explanation that is valid in a sense of a specific time or place for justification of an argument describing some issues. Furthermore, based on the explanation from Mahoney (2004), comparative history as a

method is a tool that analyzes the sequence of events or things to get a comprehensive understanding of what occurred.

The method then used the association to observe and generate arguments, which conclude the addressed problems or issues. Moreover, the problems addressed should be containing two things or more than compared chronologically to generate an analysis of the problems discussed. If the things compared crisscross in one another or generate some patterns that could be associated with one another, then it means it is visible for comparison. Therefore justification for analysis could be extracted.

Another way to compare things historically also could be done through an event by event or sequences that happened as the history of the things/the events are being produced than in literal chronological order. Progress explanation could be retracted as sequence meaning despite happened in different chronological order. This means the events or things that are being compared equally based on the kinds yet the progress that happened regarding the events/things could be different in time. For example, two similar organizations could be compared even though the birth year of the two organizations could be not in the same year. Therefore some events are being compared could be different from other events despite the two events analyzed might be the same or similar kinds of events/things.

In this paper, the objects of comparison are two similar organizations in nature yet the progress and the age of the organizations are different. The nature of comparison in this paper is to compare progress and program that indicate the coherency and cohesiveness of the two organizations. Thus, the two organizations could learn from each other to achieve targets or objectives that are shared in their values.

Mercosur and ASEAN, as mentioned above are two different yet

similar organizations that would be the objects of this paper. Mercosur and ASEAN as mentioned before are similar organizations in the means of regional groupings or regional organizations. The two organizations also share different years of making yet since the nature of the organization is similar; the comparison of how the two organizations could learn from each other toward shared values is not impossible. Hence, the chronological order may be different for the two organizations, yet similar shared values of motivation and engagement of regional groupings are comparable. Moreover, the two organizations also have done similar things such as trading agreements, expansion of members, economic zone management, custom law synchronization, and political arrangement. Therefore, to answer *how the ASEAN and Mercosur cooperation could benefit each other despite the nature of Spaghetti Bowls in their regionalization?* Such comparison is necessary to take and to look at so the analysis would be holistic and comprehensive.

Spaghetti Bowl (or Noodle Bowl)

The Spaghetti Bowl (or Noodle Bowl) is an economic term, which encompass several agreements and arrangements that overlap each other, therefore looks like a spaghetti (in the sense of association of Western cultures) or noodle (in the sense of association of Eastern cultures) in a bowl. Jang (2015) explained the Noodle Bowl effect appears from the ineffective and inefficient multilateral agreements that persist. The multilateral agreement in this sense is free trade area agreements that overlap through levels, such as bilateral and eventually multilateral. Setbacks like *non-tariff barriers*, *agricultural subsidies*, and trade remedial measures are often tangled in various forms or levels of one free trade area (FTA) agreement and others. This problem surely opposes an effective and efficient economy toward greater welfare.

This *Noodle Bowl* effect may reflect the interest in various levels of bureaucracy that intertwine with other interests of a country. These intertwined interests may make challenges for transactions. The FTA is supposed to be transactions clearer, smoother, and faster. However if the regulations are being chaotic intermingled with each other, the transaction process may jam the transaction itself. Hence the outcomes may not be the ones desired.

Therefore, a country or a region should aware of the mechanism that they build for their economy. Cross-regional relations and any other multilateral connections are not prohibited, however, the necessity to be involved in more than one FTA arrangement should be well analyzed to avoid the so-called *Spaghetti* or *Noodle Bowl* effect.

Intra-regional relations may arise this *Spaghetti* and *Noodle Bowl*; Further, inter-regional relations could add the risk of being tangled higher. The nature of these tangled regulations are more present in developing countries (Jang, 2015). Developing countries need regulations such as FTA arrangements for economic growth, and eventually welfare. Different than the developed country that already advanced, the developing country needs an economic leap for its economic interests. Regional grouping is not very much different from the previous argument. Developed countries' regional grouping such as the EU has a system called Generalized System of Preferences (GSP) to synchronized FTA arrangements between the countries and as a group. ASEAN or Mercosur for instance, in sense of developing countries' regional grouping, already have intermingling regulations history in the respective FTA proliferation, such as in Trans-Pacific Partnership (TPP) and Regional Comprehensive Economic Partnership (RCEP), a mega or regional wide FTA arrangement.

All the FTA arrangements that are already in place should be addressed as a

priority when the new FTA arrangement process appeared to avoid the *Spaghetti* or *Noodle Bowl* effect in the future. As mentioned above, this tangled is a showcase of how bad planning and managing FTA proliferations. Moving forward for greater welfare needs hard work to ease the overlapping that may come up to create a more efficient and effective regulation for thriving economic growth. In conclusion, *Spaghetti* or *Noodle Bowl* effect should be addressed in analysis more from the perspective of cross-regionalism, since in the very connected age like today, the relation may appeared or needed to do, yet the relation should be the one efficient and effective. In the sense of this paper, the effect is being used as a concept to help draw a better analysis whether how ASEAN and Mercosur relations should be shaped since the two regional groupings already have their own FTA mechanism.

RESULT & DISCUSSION

History of ASEAN Establishment

The Association of Southeast Asian Nations or known by the acronym ASEAN is a cooperative organization of countries in the Southeast Asia region that was formed in 1967. ASEAN was formed with several objectives, including accelerating economic growth, social progress, and cultural development in the region through joint efforts in the spirit of partnership and equality to strengthen the foundation of cooperation in a prosperous and peaceful society in the Southeast Asian region, as well as promote the values of regional peace and stability through respect for justice and the rule of law in relations between countries in the region and adherence to the principles of the United Nations Charter in 1995, the ASEAN heads of state and government also reaffirmed that "Cooperation for peace and mutual prosperity will be the goals of ASEAN".

ASEAN has fundamental principles that form the basis of foreign policy that must be adhered to by each country in the region. ASEAN has fundamental principles that all participating countries must adhere to. These fundamental principles are written in The Treaty of Amity and Cooperation (TAC), which were signed at the first ASEAN Summit, on February 24, 1976 (Martin, 2019). This agreement is also a declaration of relations between ASEAN countries. In this agreement, the leaders of ASEAN countries must follow several points of fundamental principles that have been agreed upon, such as mutual respect for the independence of each nation, regional integrity, and national identity of each nation; not to interfere in the domestic affairs of each ASEAN country, and develop effective cooperation among ASEAN countries.

Therefore, ASEAN has developed from time to time following the ideals of the founders of ASEAN to establish friendship and cooperation in creating a safe, peaceful and prosperous region. These ideals were later confirmed by the Bali Concord I agreement in 1976. In the Bali Concord I, the ASEAN Leaders agreed on a Program of Action that include cooperation in the political, economic, social, cultural, and information fields, security, and improvement of ASEAN mechanisms (Kemlu RI, 2015). The agreement marks an important stage for the ASEAN cooperation framework. ASEAN determination and hard work under the umbrella of Bali Concord I have succeeded in maintaining peace and stability as well as increasing prosperity in the region.

In subsequent developments, ASEAN agreed to form an integrated region in a community of Southeast Asian countries that is open, peaceful, stable, and prosperous, caring for each other, and bound together in a dynamic partnership in 2020 (Kemlu RI, 2015). This hope is stated in the ASEAN Vision 2020, which is set out

by ASEAN Heads of State/Government at the ASEAN Summit in Kuala Lumpur on December 15, 1997. To realize this hope, ASEAN ratified the Bali Concord II at the 9th ASEAN Summit in Bali in 2003, namely, agreed to establish the ASEAN Community.

ASEAN leaders agreed that through the Bali Concord II, ASEAN must move forward towards an ASEAN Community. The ASEAN Community consists of three pillars, namely the ASEAN Political-Security Community (APSC), the ASEAN Economic Community (AEC), and the ASEAN Socio-Cultural Community (ASEAN Socio-Cultural Community). ASCC). The three pillars of the ASEAN Community are closely bound and mutually reinforcing to realize lasting peace, stability, and shared prosperity (Kemlu RI, 2015). In this regard, Indonesia became the initiator of the establishment of the ASEAN Political-Security Community and played an important role in the formulation of the other two pillars.

History of Mercosur Establishment

The Southern Common Market or in Spanish *Mercado Comun del Sur* (Mercosur) is an organization founded in 1991, which is a process of regional integration in South America, which was originally founded by Argentina, Brazil, Paraguay, and Uruguay, which was later followed by Venezuela and Bolivia (Piera, 2018). The official working languages used by Mercosur are Spanish and Portuguese. And the language used at the meeting of the Mercosur member countries is the language of the host country. In 2006, through GMC Decree No. 35/06, Guarani is included as one of the Block languages.

Mercosur itself is the result of an open and dynamic process. Since its inception, Mercosur has a goal to promote a common space that generates business and investment opportunities through the competitive integration of the national

economy in the South American region into the international market (Piera, 2018). As a result, Mercosur has made several agreements with countries or groups of countries, gathering them together and in the same case. Mercosur itself has also signed commercial agreements with various countries and organizations on five continents.

Since its inception, Mercosur has been based on principles and development, which underpin the core values of human integration. By this principle, various agreements have been added on migration, labor, culture, and other social issues. The agreements that have been created are also an amalgamation of the dimensions between citizens, society, and productivity. Piera (2018) also explained how to achieve all of these goals, Mercosur needs to adapt and strengthen institutions across the South American region by deepening and strengthening active citizen participation. In addition, Mercosur must also equip its organization with its financing mechanisms, such as the Mercosur fund for structural convergence (FOCEM) among other funds.

The important event behind the establishment of Mercosur was an idea that was pioneered by the initiative of two big countries, known as the 'Two Giants' in South America, namely Argentina and Brazil, stemming from the desire of the two countries to unite the Latin American economy. Guna (2019) said that countries in Latin America are originally had rival relations slowly began to appreciate the importance of cooperation in the region. They want to slowly escape the domination and shadow of the United States. Therefore, Mercosur as a form of regional cooperation in Latin America continues to strive for economic improvement and regional integration by conducting cooperation between countries and building cooperation with regional organizations.

Historical Comparison of ASEAN & Mercosur Relations-Establishment

Both ASEAN and Mercosur, the two regional organizations were both founded because they were based on the common principles and goals of countries in Southeast Asia and South America. In addition, ASEAN member countries and Mercosur also have a strong economic cooperation corridor to solve economic problems in Southeast Asian and South American countries. The first ASEAN and Mercosur Ministerial Meeting were held on November 24, 2008, in Brasilia, Brazil, at which time the Ministers acknowledged that the economic cooperation of the two regional organizations would produce something tangible and have a broad impact on people lives in each country (ASEAN Secretariat,, 2021). Therefore, both ASEAN and Mercosur are aware that through close cooperation, every economic problem will be able to be resolved properly. The ASEAN and Mercosur collaboration this time is carried out in several economic fields such as energy security and food security, intellectual property or assets, agriculture, transportation, tourism, and the environment as well as people-to-people social contacts. Even though ASEAN was a security cooperation organization, it evolves into a comprehensive regional organization in all pillars of society (politics-security, economy, and socio-culture). While Mercosur was meant for economic cooperation from its very beginning.

ASEAN and Mercosur relations do not always go well. Although they have agreed on several constructivist matters, the two regional organizations have not been able to execute some of the economic development discourses that they agreed on in 2008 in Brazil. This is marked by the stagnation of the relationship between the two regional organizations for 9 years, without any breakthrough for the relationship between the two. Therefore, the second Ministerial-level meeting was held again on September 22, 2017, on the sidelines of the 72nd UN

high-level meeting in New York, United States of America (ASEAN Secretariat,, 2021). At the second Ministerial level meeting, it focused on strengthening and revitalizing relations between ASEAN and Mercosur member countries by producing several new agreements such as,

1. Arranging a meeting between the committee of permanent representatives (CPR) and Ambassadors from MERCOSUR member countries to develop and improve plans from real action together and;
2. Explore the possibility of secretariat-level cooperation with the ASEAN and Mercosur secretariat. The Ministers also agreed to increase cooperation in sustainable development in the fields of tourism, connectivity between member countries, innovation, and people-to-people relations.

However, such action is still needed to support some of the agreements that have been agreed upon so that they can be achieved with good results.

ASEAN and Mercosur broadly have a historical basis that is not much different. However, there is a difference that can be seen from the beginning of the formation of these two regional organizations. The difference lies in the focus of the establishment of the two regional organizations. ASEAN was established based on the understanding of the nations and countries in Southeast Asia to develop economic cooperation, cultural exchange, and connectivity between peoples in Southeast Asia, which is much broader and interconnected. Meanwhile, it was founded for one main reason that highlights the agreement in Latin American countries, namely comprehensive economic development and based on local values that exist in Latin America. In other words, Mercosur was founded with the intention and purpose of minimizing the economic

influence of big countries (especially the United States) that try to exploit the economies of Latin American countries by spreading their hegemonic economic influence in the world. And Mercosur also actually does not focus on the cultural exchange process as carried out by ASEAN, but Mercosur still prioritizes a sense of mutual openness and trust among its fellow members which are marked by the connectivity of interconnected communities in Mercosur member countries.

Ways to Avoid Noodle Bowl Theory in ASEAN & Mercosur Relations

Behind the cooperation between regional organizations, there will certainly be complexities that can be a barrier to cooperation between organizations. This is no exception in the cooperative relationship between ASEAN and Mercosur. Both regional organizations have constructive relations with countries outside their organizations. Call it the cooperation of one ASEAN country such as Indonesia, which has close relations with Japan and China in economic cooperation between countries. And from Mercosur, Brazil and other countries that were a member of Mercosur also has relations with the United States and other major economies to advance their national economic interests. Although the fundamental principle of Mercosur prioritizes the strengths and local values of Latin American nations and countries, still in the contemporary era like today, all countries will be connected to work together in increasing the economic growth of their respective countries both through Foreign Direct Investment (FDI), technology exchange, and so on.

Then, from the cooperation of the two regional organizations with other countries which are essentially outside the membership of regional organizations, of course, there are differences in interests to produce a reason why they cooperate with other countries in one aspect. And the most

obvious aspect is the economy. From there we can see that ASEAN and Mercosur cooperative relationship itself is not yet strong enough to advance their common interests, especially in the economic field, so that other countries are needed to cooperate with ASEAN and Mercosur member countries. And from the difference in interests, it will certainly cause a tangled effect in cooperation that in the future will become a separate obstacle for the relationship between the two regional organizations, ASEAN and Mercosur. This tangled effect was later referred to as The Noodle Bowl Effect. The Noodle Bowl Effect itself is created from the philosophy of noodles being in one bowl, and they are indeed connected, but the shape is irregular or tangled.

However actually, what is the true definition of The Noodle Bowl Effect itself? And what are the factors that create The Noodle Bowl Effect in a cooperative relationship between organizations? And lastly how such a cross-regionalism relation could manage to avoid The Noodle Bowl Effect. The beginning of emergence of the term The Noodle Bowl Effect itself comes from the phenomenon of trade cooperation between countries in East Asia which is marked by the number of Free Trade Agreements (FTA) agreed by East Asian countries to support their country's economy.

From there, this 'twisted effect' arises in the relationship between state organizations and organizations. There is no problem with the creation of a Free Trade Agreement between countries in East Asia, but the FTA itself contains several agreements, including tariff differences between goods and commodities, as well as causing economic liberalization that is so strong that it is feared that it will disrupt the world trade system (Kawai and Wignaraja,, 2009). The trade agreement then raises various kinds of new challenges for cooperation between countries and

organizations, in addition to the positive effects caused.

Steps or methods that can then be applied by ASEAN and Mercosur in preventing them from falling into The Noodle Bowl Effect is by a comprehensive approach such as deepening transparency in their FTA, as offered by Baldwin in Simoes et al (2014) and his colleagues explained that in the "WTO Action Plan on Regionalism". Baldwin put forward several comprehensive steps in his proposal to the WTO which contained a political economy mechanism according to Baldwin, which consisted of a giant effect or devastating effect on the multilateral economy, a domino effect for trade liberalization, and unilateral microeconomic competition in trade liberalization. Of the three ways, Baldwin offers more open cooperation in every regional organizational relationship, to avoid The Noodle Bowl Effect itself. In addition, Baldwin also emphasized the importance of the role of each organization in complying with trade rules originating from the World Trade Organization (WTO).

Shared Values in ASEAN & Mercosur Relations

In terms of organizational relations, each of the regional organizations such ASEAN or Mercosur certainly has similarities and differences that will certainly be learned from each other. Both of them certainly have noble values that later became the director of their foreign policy in diplomacy and cooperation. However, the question is what are the values that make ASEAN and Mercosur able to relate well to each other as two regional organizations that incidentally are on different continents?

Referring to some of the commonalities of the fundamental principles of ASEAN and Mercosur, it should not be surprising and not difficult for us to see what these two regional organizations have learned from each other in their cooperative relationship. ASEAN

was founded because of the encouragement of a sense of nationalism that emerged when the Cold War between the Soviet Union and the US was in turmoil, which later also inspired the spirit of regionalism among Southeast Asian countries. In the formation of ASEAN itself, something more than just political arrangements between nations and countries is needed to build an association that will then work together to face challenges in the future (Simoes, et al. 2014). For this reason, it is necessary to establish a bond that can bind regionalism with nationalism. Therefore, the ideas of self-determination, national consolidation, and non-intervention, in other words, the idea of national stability-allied with the ideas of unity, solidarity, and regional organization are considered. Those ideas formed the basis for the so-called ASEAN-Way.

If ASEAN was established during the Cold War, Mercosur was established after the Cold War ended. Mercosur itself is a result of several political and economic ideas that were created in Latin America, at a time when the world was undergoing the initial process of globalization, which accelerated after the end of the Cold War. In this sense, regional economic blocs have encouraged liberalization among themselves, not only promoting intra-regional but also inter-regional trade and factor-free movement. A series of treaties for cooperation and association promoted in various regions such as the world represented a "new wave of regionalism" in contrast to the "old" one that were prevailed from the 1950s to the early 1980s. All of this has happened since the bipolar balanced system that were instituted transnational economic multilateralism coupled with post-World War II state economic intervention. (Simoes, et al. 2014). In Latin America, the neoliberal economic reforms that were accomplished under the umbrella of the Washington Consensus since the 1980s had opened the doors to the movement of international

capital and trade flows in a completely different manner from Latin America Free Trade Association (LAFTA). LAFTA was established by the Montevideo Treaty in 1960 and comprised seven Latin American countries: Argentina, Brazil, Chile, Mexico, Paraguay, Peru, and Uruguay. All these countries aspired to form a free trade area and later a common market in the overall Latin American region within twelve years.

Based on the historical explanation in the previous paragraph, we can hypothesize that ASEAN & Mercosur had the same values when they established regional organizations, nationalism, and regionalism. This then became the basis of their organizational relationship to this day. Both ASEAN and Mercosur are aware that mutual respect, nationalism, and public trust in the region are strong keys to unite differences, regardless of political direction, as well as the diversity of nations. ASEAN & Mercosur both have a vision that rejects foreign interference, especially from big countries in domestic economic and political affairs in their countries. Then, mutual trust, vision, and mutual respect for the values of the nation create economic integration that bring significant changes to the standard of living of the people in ASEAN & Mercosur.

Economic integration between organizations, both ASEAN and Mercosur have a fairly large economic cooperation corridor. The member countries of the two regional organizations have good trade relations. In 2019, the ASEAN Secretariat Database recorded the total value of relations between the two countries that reached US\$ 28.23 billion. And Foreign Direct Investment (FDI) that came from Mercosur to ASEAN was recorded at US\$ 17.46 billion per year in 2019 (ASEAN Secretariat, 2021). This became one of the glues of the relationship between the two organizations, apart from The Noodle Bowl Effect caused by the many FTAs they agreed with other countries or other organizations. Therefore, ASEAN

and Mercosur relations and cooperation could be the APEC 2.0 with real interactions and transactions. Not like APEC only interacts in formal level relations and no further action. Moreover, expanded the Trans-Pacific Partnership (TPP) is also not coherently aligned since there is no United States between the bilateral relation of ASEAN and Mercosur. Moreover, the TPP is abandoned as Yuhas (2016) explained. Further, the East Asia Summit is merely a political conference rather than a trade bloc, even it could be expanded in another dimension as well to incorporate other interests and parties to join, such as Mercosur. However, China and the US's friction is hard to maintain as the rivalry between them may tear the relation between the members, as Pearson and Vu (2020) have explained, that the US and China rivalry may drive the regional over influences.

The political-economic integration that has arisen in Asian countries, especially in the Asia-Pacific region, has resulted in the creation of many FTAs. This is inseparable from the existence of trade activities between countries in Asia-Pacific. Then, when referring to the process of political-economic integration that was created, there is one institution that unite Asia-Pacific countries in the trade process; APEC (Pizarro, 1999). APEC itself was founded because it was based on the spirit of regionalism that then made Asia-Pacific countries unite their determination to open a more comprehensive corridor of economic cooperation. Interestingly, APEC was also created at a time when the world was experiencing a very rapid process of globalization and was accompanied by a high spirit of regional economic integration. Then from there also emerged a process of economic liberalization between countries in the Asia-Pacific region and Latin America that is increase rapidly. Talking about APEC which is a forum for Asia-Pacific countries to work together in solving economic challenges, of course,

there is one thing that is certain that is a common agreement in APEC to establish more comprehensive economic cooperation. And in the case study of ASEAN-Mercosur relations, can the two regional organizations from different continents work well together and become like APEC to solve economic challenges substantively and comprehensively?

We all agree that economic issues are things or issues, which are so crucial for every country, be it developed or developing countries. This is because the role of the economy concerns the livelihoods of many people, and is an issue that is prioritized to be resolved by almost many countries around the world. It will be a big problem if the economic challenges cannot be solved. There are several ways to solve economic challenges in a country, such as by creating jobs and reducing poverty through subsidies or direct cash transfers. These two challenges are the most common economic challenges that we can encounter in most countries in the world, not least in countries that have an average level of economic development such as ASEAN-Mercosur member countries. The two regional organizations have even worked together and agreed to create a comprehensive framework for economic integration. The collaboration of the two regional organizations from different continents is expected to be a new alternative when APEC cannot solve more comprehensive economic challenges. Better cooperation can solve every economic challenge that is created. Pizarro (1999) explained that ASEAN-Mercosur could do this by taking steps such as carrying out economic liberalization in each member country but not to the point of causing economic exploitation in one member country.

In addition, both ASEAN-Mercosur also needs to prioritize their regionalism values to carry out good economic integration and of course substantial for the economies of both organizations

Substantial steps such as using local currency and not using foreign currencies such as the US Dollar, can increase the value of trade between ASEAN-Mercosur. Coupled with very rapid technological advances in the era of globalization. There is a need for wider and more equitable economic integration if ASEAN-Mercosur is to achieve positive economic growth rates. These things will then become a new alternative for ASEAN-Mercosur to solve their economic challenges when APEC does not have further solutions to solve economic challenges comprehensively. If these things can be implemented properly, the cooperation between ASEAN-Mercosur can be called APEC 2.0, between Southeast Asia and Latin America.

CONCLUSION

ASEAN and Mercosur are potentially strong to connect. However, the traditional problems like the Noodle Bowl effects of the free trade agreement (FTA) could jam the relation between the two regional organizations. The two regional organizations also shared similar values in terms of economy and regionalism, which could emphasize the growth between the two regions. Moreover, both regions need the unorthodox economic market to boost economic growth they need the most to develop each member country in the region.

ASEAN and Mercosur may resemble the APEC but in a more coherent way. ASEAN and Mercosur as groups of developing nations in the majority, could make a cohesive relationship with shared values as the foundation of relations. Furthermore, as culturally and ethnically diverse, the two organizations may develop a prospective relation, with the common situation and common interest as the economical condition may not so different as in developing nations. Not like unbalance or uneven relation between northern and southern countries of the globe.

DISCLAIMER

None

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