

## Dynamics and Prospects of ASEAN and GCC Multisectoral Cooperation: From Regional Diplomacy to Economic Integration

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### ABSTRACT

As seen by the creation of institutions like ASEAN and the GCC, regional cooperation has emerged as a key factor in economic growth and stability. Even though both regions have engaged in organized communication since 2007, there is still a lack of institutional integration, which limits the growth of trade and economic connections. The dynamics and future of ASEAN-GCC collaboration are examined in this study using a qualitative descriptive literature review based on scholarly sources, IO reports, and official documents. The results show that collaboration has progressively grown into a multisectoral structure. The foundation of the partnership is energy, with the GCC investing in low-carbon and renewable technology in the area and supplying hydrocarbons to meet ASEAN's demand. Trade and investment flows are interdependent. ASEAN exports electronics, machinery, and agricultural products, whilst the GCC provides oil, petrochemicals, and cash for infrastructure initiatives. The liberal institutionalist presumption that interdependence promotes stability is reflected in the continued expansion of participation through education, cultural exchanges, and crisis management cooperation. However, a number of difficulties still exist. Investment flows continue to be unbalanced, comprehensive free trade agreements have not been reached, and concerns about migrant worker protection underscore the limitations of institutional frameworks. Notwithstanding these obstacles, member state-to-state bilateral efforts maintain collaboration and offer useful paths toward strengthening ties. All things considered, ASEAN-GCC relations show a trend of increasing reliance with a great deal of room to develop into more formalized institutional and economic integration.

**Keywords:** ASEAN, GCC, Regional Cooperation, Economic Integration, Multisectoral Partnership

### INTRODUCTION

One of the most important elements in fostering stability and economic prosperity in a region is regional collaboration. The establishment of regional organizations like the Gulf collaboration Council (GCC) in the Gulf area and the Association of Southeast Asian Nations (ASEAN) in Southeast Asia is a result of awareness of the significance of this collaboration. In terms of politics, the economy, and security, both organizations are strategically important. However, although trade and investment contacts between ASEAN and the Gulf countries have been ongoing since the 1970s, the level of institutionalization and integration of cooperation between ASEAN and the GCC is still not adequate. In fact, there is great potential in the food, trade, energy, and

investment sectors. However, there is still not much trade cooperation to facilitate the existing potential for cooperation. Previous studies have only highlighted ASEAN's cooperation with China, the European Union, and the United States, but there has been little research on ASEAN-GCC relations. This is a compelling reason why the author chose this topic. This article will discuss the dynamics of ASEAN-GCC relations, covering not only their history but also multisectoral aspects, including energy, education, trade, and resilience in the face of global crises. In analyzing this phenomenon, the study uses liberal institutionalist theory. According to Keohane and Martin (1995), international organizations are not only established by countries but also influence their actions. Institutions exist because countries see benefits in them, including lower transaction costs, increased dialogue on important topics, and a common reference point that facilitates cooperation. In addition, institutions change national behavior by encouraging compliance and increasing transparency. Thus, liberal institutionalism theory provides a basis for understanding why ASEAN-GCC cooperation, despite facing obstacles, still has the opportunity to develop through institutional mechanisms. The author argues that despite structural and organizational challenges, ASEAN and the GCC have the opportunity to strengthen their relations strategically through an "economy and trade that promotes peace" initiative, which aims to address urgent energy and food needs while also encouraging collaboration in innovative fields such as renewable energy, the digital economy, and education. Therefore, the purpose of this study is to give an outline of the future potential for greater integration and cooperation between the two areas, examine the dynamics of ASEAN-GCC cooperation, and identify opportunities and difficulties.

## METHODS

This research uses a descriptive qualitative approach with literature study as the main method. This approach was chosen to explain the dynamics and prospects of multisectoral ASEAN-GCC cooperation. Data collection techniques were carried out through literature studies with the support of secondary data obtained from various official sources such as ASEAN and GCC documents, government publications, academic journals as well as news articles and policy analysis reports on cooperation between regions.

## RESULT AND DISCUSSION

### **Institutional Development: ASEAN-GCC Ministerial Meetings and Strengthening Cooperation Mechanisms**

In the 1960s, most countries in Southeast Asia had only recently become independent. To promote cooperation, five Southeast Asian nations: Indonesia, Malaysia, the Philippines, Singapore, and Thailand formed ASEAN, or the Association of Southeast Asian Nations. On August 8, 1967, in Bangkok, these countries signed the Bangkok Declaration, also called the ASEAN Declaration. The ASEAN aims to work together on shared issues in areas like social, economic, scientific, and technical matters. In 1981, the Gulf Cooperation Council (GCC) was created in Abu Dhabi, United Arab

Emirates. The GCC was formed by Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain, and Oman. The reason for creating the GCC was to improve regional cooperation, especially after the 1979 Iranian Revolution and the Iran-Iraq War from 1980 to 1988, which brought new security and economic challenges. The GCC aims to work together in areas like politics, economic security, and social issues. Trade and investment between Gulf Arab countries and South and Southeast Asian countries started to increase in the 1970s. But until 1990, there was no official way for ASEAN and the GCC to communicate or work together.

When the UN General Assembly (UNGA) was held in New York in 1990, the two organizations agreed to meet annually during the UNGA to interact with each other. Then, at the UNGA in September 2007, ASEAN-GCC Foreign Ministers held a meeting with the aim of strengthening their relationship. The next major step took place at the first ASEAN-GCC Ministerial Meeting in Manama, Bahrain, in 2009, which issued a joint press statement and affirmed the commitment to cooperate on energy and food as interrelated strategic issues. During the 2009-2012 period, various consultative mechanisms emerged, with both regions holding forums that focused more on specific sectors. Some of these events include the ASEAN-GCC Consultative Meeting on Education in Bangkok in 2010 which focused on strengthening education ties, the Working Group on Food Security and Agricultural Investment in Doha in 2011, which discussed food security and agricultural investment opportunities, the Tourism Consultation meeting in Luang Prabang in 2011 which opened up space for tourism cooperation, and the Senior Economic Officials Meeting in Salalah, Oman in 2011 which focused on economic issues.

The latest development culminated in the ASEAN-GCC Summit in Riyadh in 2023, which was the first meeting at the heads of state level. The meeting produced the 2024-2028 cooperation framework as a medium-term guide to strengthen relations in various sectors, such as trade, investment, renewable energy, digital transformation, climate change, and maritime security. The year 2024 saw the first meeting between the ASEAN Standing Committee of Permanent Representatives (CPR) and the GCC Council of Ambassadors in Jakarta. This forum showed that formal communication between the two regions is intensifying, as well as showing concrete steps towards more structured cooperation. Overall, the developments from 2009 to 2024 show that the relationship between ASEAN and the GCC has evolved from initial discussion meetings to multi-sector cooperation with joint strategic documents and more formalized institutional mechanisms.

### **Multisectoral Cooperation ASEAN-GCC: Findings and Analysis**

ASEAN (Association of Southeast Asian Nations) is a regional organization that brings together countries in Southeast Asia to enhance economic and security cooperation. The GCC (Gulf Cooperation Council) is a regional organization that brings together six Middle Eastern countries that excel in economics, trade, and cultural exchange. ASEAN and the GCC believe in the importance of regional cooperation, which is one of the driving factors in a country's growth. Three ASEAN countries, Singapore, Indonesia, and

Cambodia has signed a Free Trade Agreement (FTA) with the GCC, while other ASEAN countries are still in negotiations with the GCC. Although institutional integration between the two organizations is not yet deep, existing mechanisms have played an important role in facilitating interdependence in various fields. Both institutions have been instrumental in lowering transaction costs, providing transparency, maintaining compliance, expanding issue linkages, as well as serving as a meeting point for coordination between countries.

Energy cooperation is a key pillar in ASEAN-GCC relations. The GCC, as the world's major oil and gas supplier, provides the growing energy needs of ASEAN countries, while ASEAN is an important partner in energy transition and renewable energy development. Saudi Aramco in Malaysia and Oman Oil Company in Indonesia have shown how large companies can work together in the energy sector. By committing to "Expanding ASEAN-GCC cooperation in energy and low-carbon clean energy technologies, including the development of technologies for energy efficiency, renewable energy, and alternative clean energy sources, as well as the effective promotion of energy efficiency," the two companies are helping to create certainty and reduce uncertainty in the energy market. In addition, the United Arab Emirates (UAE) provides significant funding for renewable energy projects around the world, including in Southeast Asia. According to the COP International Climate Agreement, these investments will be used to implement clean energy, including renewable energy, nuclear energy, and hydrogen energy (ASEAN Secretariat, 2023).

In terms of trade and investment, ASEAN-GCC relations are complementary: ASEAN exports electronics, machinery, and agricultural products, while the GCC exports crude oil and petrochemicals. GCC capital flows to ASEAN reached US\$13.4 billion between 2016-2021, mainly from the United Arab Emirates and Oman. Projects such as DP World's (UAE) and Maspion Group's (Indonesia) US\$1.2 billion cooperation in the construction of ports and logistics parks demonstrate the role of institutions as focal points that bring together ASEAN's need for infrastructure and the GCC's interest in economic diversification (Dubai Chamber, 2021). However, the imbalance remains: ASEAN investment in the GCC is only around US\$3.6 billion, mostly from Singapore. While Free Trade Agreements (FTAs) have not fully materialized due to absences that keep transactions relatively high, ASEAN-GCC forums and bilateral initiatives have provided informal monitoring mechanisms for trade commitments. Thus, cooperation continues even without strict formal monitoring instruments.

Collaboration has also developed in the fields of education and culture, for example, through scholarship programs, Islamic finance training, and professional certification (Dubai Chamber, 2021). From the perspective of liberal institutionalism, this expansion reflects the issue linkage mechanism, where non-economic issues such as education and culture help strengthen state incentives to maintain stable relations between countries. The same applies to crisis management. When Thailand and Vietnam exported rice to the GCC and coordinated through the ASEAN Maritime Cooperation Portal for sea lane security. ASEAN-GCC cooperation in food security, maritime security, and pandemic

management shows that institutions not only regulate trade but also carry out institutional functions as focal points to unite interests amid global challenges.

Indonesia and Saudi Arabia reached a trade volume of \$4.8 billion in 2021 as a result of the I-GCC Free Trade Agreement. Saudi Arabia also supplies nearly 50% of Indonesia's oil needs. Since 2008, Singapore and the United Arab Emirates have enjoyed duty-free access through the GSFTA Free Trade Agreement. They also cooperate on renewable energy and low-carbon technologies. Malaysia and Qatar concentrate on the food, logistics, and transportation industries, while Oman and Thailand's relationship is developing in tourism and energy (ASEAN, 2024). However, the cases of the Philippines and Kuwait show the constraints of a liberal approach: despite agreements protecting migrant workers, workers' rights are still abused. This suggests that institutions can only reduce, not eliminate, possible conflicts of interest.

Overall, the results show that although the relationship between ASEAN and the GCC is still not optimal, cross-sector collaboration continues to develop based on the principles of institutional liberalism. In this context, international institutions play a role in reducing transaction costs, increasing transparency, linking cross-cutting issues, and strengthening cooperation between relevant parties. However, there are still some obstacles that hinder the performance of these institutions, such as investment imbalances, the absence of comprehensive free trade agreements, and sensitive issues such as the protection of migrant workers. Therefore, although the ideal goal of deeper economic integration has not yet been achieved, the current situation shows increasing interdependence.

## CONCLUSION

The conclusion part does not contain repetitions or fragments described in the previous section of the discussion. This section reaffirms the case/issue topics focused on in the writing, the main argument(s), and the findings in a concise way. In this section, the author presents critical reviews of the analytical framework used in the writing and provides advice on future studies of the related cases/topics. The first line of the second paragraph and the following paragraphs are indented. This article shows that cooperation between ASEAN and the GCC since 2007 has evolved into a multisectoral relationship that covers energy, trade, investment, education, and global crisis management. Using a liberal institutionalism framework, this study asserts that although ASEAN-GCC institutions are still loose, they still play an important role in lowering transaction costs, creating transparency, expanding cooperation issues, maintaining compliance, and providing a meeting point for inter-regional coordination. However, this study also found limitations of the liberal institutionalism approach. The case of the protection of Filipino migrant workers in Kuwait shows that the existence of formal agreements does not always guarantee substantive compliance on the ground.

Similarly, investment imbalances and pending FTAs signal structural barriers that regional institutions cannot fully address. Thus, the current empirical conditions show a growing pattern of interdependence, although the normative goal of more

comprehensive economic integration has yet to be achieved. Based on these findings, there are several policy recommendations that can strengthen ASEAN-GCC cooperation in the future. First, ASEAN and the GCC need to accelerate the completion of FTA negotiations to lower trade barriers and create stronger institutional mechanisms. Second, there needs to be an effort to balance two-way investment flows by expanding ASEAN's access to the GCC market, especially in the food sector, halal industry, and manufacturing. Third, the protection of migrant workers needs to be strengthened with mutually agreed minimum standards so that cooperation not only emphasizes the economic dimension, but also the human security aspect. With such measures, ASEAN-GCC cooperation has the potential to move from loose diplomacy and trade relations to more comprehensive economic and institutional integration, in keeping with the spirit of liberal institutionalism that emphasizes peace and stability through economic entanglements.

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