NATIONAL OPEN UNIVERSITY OF NIGERIA

SCHOOL OF ARTS AND SOCIAL SCIENCES

COURSE CODE: INR372

COURSE TITLE: REGIONAL INTEGRATION AND INSTITUTIONS

2 CREDIT UNITS

COURSE GUIDE

INR 372
REGIONAL INTEGRATION AND INSTITUTIONS

Course Developer/Writer	**Dr Udeoji Ebele Angela** **School of Arts and Social Sciences** **National Open University of Nigeria** **14-16 Ahmadu Bello Way,** **Victoria Island, Lagos**
Course Editor:	**Dr. Dokun Oyeshola (Associate Prof.)** **Dept. of International Relations** **Obafeme Awolowo University** **Ile-Ife** **Osun State**
Programme Leader:	**Dr Olabamiji Oyebode** **School of Arts and Social Sciences** **National Open University of Nigeria** **14-16 Ahmadu Bello Way,** **Victoria Island, Lagos**

COURSE DESCRIBTION

INR 372 Regional Integration and Institutions (2 Credit Units)

This course offers a comparative perspective on regional integration's place and role in global order. The case studies are drawn primarily from regional institutions in Africa and Europe, but with coverage of Latin American, Asian and the Middle Eastern regional Integrations. The course is built around three main topics: (1) origins of regional integrations, especially in the context of the competing ideas of universalism and regionalism in the post-World War II period; (2) comparative assessment of variations in the design and performance of regional institutions; (3) the future of regionalism in the post-American era, especially the place of regionalism in the ongoing power shift in the global system.

CONTENTS PAGE

Introduction

INR 372: Regional Integration and Institutions is a one-semester course in the Third year of B.sc (Hons) Degree in International and Diplomatic Studies. It is a two Unit Credit Course designed to explore primarily the regional institutions in Africa and Europe, but with coverage of Latin American, Asian and the Middle Eastern regions. The course is built around three main topics: (1) origins of regional integrative systems, especially in the context of the competing ideas of universalism and regionalism in the post-World War II period; (2) comparative assessment of variations in the design and performance of regional institutions; (3) the future of regional Institutions in the post-American era, especially the place of regional Institutions in the ongoing power shift in the global system.

The study units are structured into Modules. Each module comprises of 4 units. A Unit Guide comprises of instructional material and also provides a brief description of the instructional material.

Courses Objectives

The main objective of INR 372 is to facilitate the understanding of the nature of the regional Institutions and why they were created after the WW 11. An insight is also provided through the course on how the different Institutions have been used to promote development and Global trade. The objectives of each unit are specified at the beginning of the units and are to be used as reference points and to evaluate the level of progress in the study. At the end of each unit, the objectives are also useful to check whether the progress is consistent with the stated objectives of the unit. The entire units are sufficient to completely achieve overall objective of the course.

The Course Material

In all of the courses, you will find the major components thus:

(1) Course Guide
(2) Study Units
(3) Textbooks
(4) Assignments

Study Units

There are 16 study units in this course: They are:

Module: 1 REGIONAL INTEGRATION IN EUROPE

Unit 1 Introduction, Definition and Theories
Unit 2 Regional Integration in Europe
Unit 3 The European Union
Unit 4 Competence and responsibilities of the European Union

Module 2: REGIONAL INTEGRATION IN ASIA/LATIN AMERICA

Unit 1 Association of South East Asia Nations (ASEAN)
Unit 2 ASEAN Communities
Unit 3 Regional Integration in Latin America
Unit 4 The Maghreb/Arab Union

Module 3: REGIONAL INTEGRATION IN AFRICA

Unit 1 The Central Africa Economic and Monetary Community (CEMAC)
Unit 2 Southern Africa SADC
Unit 3 The Economic Community of West Africa (ECOWAS)
Unit 4 A Critique of the Economic Community of West Africa (ECOWAS)

Module 4 CHALLENGES AND SUCCESSES

Unit 1 The EU Successes and Challenges
Unit 2 The Lessons from ASEAN
Unit 3 Lessons From Africa
Unit 4 Conditions for Success of Regional Integration in Africa

From the above, we can see that the course starts with the basic introduction to the nature of Regional Integrations and progresses subsequently into comprehensive analysis of the various Regional Integrative Systems around the world since WW II .The course also looked at how successful the unions have been so far and their challenges as well. The instructions given in each unit contains objectives, course contents and reading materials. In addition, there are also self-assessment exercise and Tutor-Marked Assignments. All these are intended to assist you in achieving the objectives of each unit.

Textbooks and References

Adeniran, T. (1983). *Introduction to International Relations* Ibadan: Macmillan Nig. Ltd..

Asante, S. B. (1989). ***The** Political Economy of Regionalism in Africa: A decade of ECOWAS.* Boulder: West view Press.

Balassa, B. (1961). *The Theory of Economic Integration* Homewood III: Irwin.

Bellassa, B. (1964). *Theory of Economic Integration* Homewood Illinois: Richard D. Irwin Inc.

Breslin, S. Hughes, C. Philips, N. & Rosamond, B. (2001) *Regionalism in the Global Political Economy: Theories and Cases*. London: Routledge.

Burley, A. M. & Mattli, W. (1993) "Europe before the Court: A Political Theory of Legal Integration" *International Organization Number 47, Volume 1*.

Cameron, D. (1992). "The 1992 Initiative: Causes and Consequences". In Sbragia, A. (Ed.) *Euro-Politics Institutions and Policy making in the 'New' European Community* Washington: The Brookings Institute.

Camilleri, J. (2003). *Regionalism in the new Asia-Pacific Order* Cheltenham: Edward Elgar.

Coleman, W. D. & Underhill, G.R. (1998) *Regionalism and Global Economic Integration: Europe, Asia and the Americas*. London: Routledge.

Davidson, B. (1966) *A History of West Africa* Garden City, N.Y.: Anchor books.

De Grauwe, P. (1992). *The Economics of Monetary Integration* New York: Oxford University Press.

De Melo, J. & Panagariya, A. (Eds) (1993) *New Dimensions in Regional Integration* Cambridge: University Press, Cambridge.

Deutsch, K. W. et. al (1957) *Political Community and the North Atlantic Area* Princeton: Princeton University Press.

Deutsch, K.W. (1957) et al. *Political Community and the North Atlantic Area* Princeton: University Press. Princeton

Dike, K. O. (1965) *Trade and Politics in the Niger Delta* Oxford: Oxford University Press.

El-Agraa, A. M. (1989) *The Theory and Measurement of International Economic Integration* New York: St. Martins.

Eze, O. & Sesay, A. (2010) *Africa and Europe in the Twenty First Century*. Lagos: NIIA.

Fage, J. D, (1969). *A History of West Africa* Cambridge: University of London Press.

Farrell, M. & Hettne, B. (2005) *Global Politics of Regionalism* London: Pluto Press.

Francois, C.A. & Subramaniam A. (1998) "Beyond Trade: Regional Arrangements as a Window on Globalization". In Igbal, Z. and Khan, M. S. (Eds) *Trade Reform and Regional Integration in Africa IMF* Washington DC IMF

Frankel, J. (1973) *Contemporary International Theory and the Behavior of States* London: Oxford University Press.

Giovannini, Aberto (1990). *The Transition to European Monetary Union* Rome: Bank of Italy.

Gould, J. & Kolb, W. L. (1964) *A Dictionary of the Social Sciences* New York: The Free Press of Glencoe.

Haas, E. B. (1958) *The Uniting of Europe: Political Social and Economic Forces*. Stanford Califonia: University Press.

Hall, P. A. (1989). *The Political Power of Economic ideas: Keynesianism Across Nations*. Princeton NJ: Princeton University Press.

Hargreave, J. D. (1969) (Ed.) *France and West Africa* New York: St. Martins Press.

Hazelwood, A. (1967). "Problems of Integration among African State" in Hazelwood, A. (Ed.) *Africa Integration and Disintegration* London: Oxford University Press.

Hazlewood, A. (1975). *Economic Integration: The East African Experience*. London: Heinemann.

Ingram, J. (1973). "The Case for European Monetary Integration" *Essays in International Finance No 98* Princetons New Jersey: Princeton University Press.

Kisanya, E. J. (1984). "Regional Cooperation: Challenge for the Continent Africa now". *Africa Now*

Lindberg, L. (1963) *The Political Dynamics of European Economic Integration* Stanford Calif: Stanford University Press.

Machlup, F. (1976) "A History of Thought on Economic Integration" In Fritz Machlup (Ed.) *Economic Integration: World Wide, Regional and Sectoral.* London: Macmillan Press.

Mambara, J. L. (2007), *Assessment of Benefits of Regional Integration in SADC and COMESA-A Gender Analysis*, Harare: Trade and Development Studies Centre.

Mytelka, L. K. (1979). *Regional Development in a Global Economy* Yale: Yale University Press.

Nyongo, P. A. (1993) (Ed.) "Regional Integration, Security and Development in Africa" In Obasanjo O, and Mosha, F. G. (Eds) *Africa Rise to Challenge* Ota: Africa Leadership Forum (ALF) Publications.

Ogunkoya, E. O. (1993) "An Empirical Evaluation of Trade Potential in Tanzania" *Memeo* Nairobi: AERC.

Ojo, O. (1980). "Nigeria and the Formation of ECOWAS" *International Organization, 344* (Auturm)

Onwuka, R.I. & Sessay, A. (1985) (Eds) *The Future of Regionalism in Africa* London: Macmillan Press.

Richard, H. (1975) (Ed.) *The Political Economy of Africa* Cambridge, Mass: Schenkman Publishing Co.

Robson, P. (1983). *Integration, Development and Equity: Economic Integration in West Africa.* London: Allen and Unwin.

Rosamond, B. (2000). *Theories of European Integration* Palgrave: Macmillan Press.

Sbragia, A. (Ed.) *Euro-Politics: Institutions and Policy making in the 'New' European Community.* Washington: The Brookings Institute.

Scitovsky, T. (1958) *Economic Theory and Western European Integration* London: Allen and Urwin

Seligson, M. A. "The Dual Gap: An Overview of Theory and Research". In Seligson, M. A. and Passe-Smith, J. T. (Eds.) *Development and Underdevelopment: The Political Economy of Global Inequality.* London: Boulder.

Sesay, A., Olayode, O. & Omotosho, M. (2008) "Africa and South-South Cooperation: Opportunities and Challenges". In Dargin, J. (Ed.) *South-South Cooperation in the Global System* Harvard: Harvard University Press.

Steinmo, S., Thelen, K. and Longstreth, F. (1992) *Structuring Politics Historical Institutionalism in Comparative Perspective* Cambridge: Cambridge University Press

Sullivan, D. & Radebaugh, L. (2003) *International business: Environments and Operations*". New Jersey: Prentice Hall.

Tokuta, R. A. (1984). “ECOWAS Treaty and the East African Common Market Compared”. In Akinyemi, A. B. et al. (Eds) *Reading and Documents in ECOWAS*

Viner, J. (1950) *The Custom Union Issue* New York: Carnegie Endowment for International Peace.

Wallerstein, E, (1961). *Africa: The Politics of Independence*. New York: Vintage Books.

Weigall, D. & Stirk, P. (1992) (Eds) *The Origins and Development of the European Community* Leicester: Leicester University Press.

Wiener, A. & Diez, T. (2004) *European Integration Theory* Oxford: Oxford University Press

Wright, S. & Okolo, J. E. (Eds.) *West Africa: Regional Cooperation and Development.* Boulder: West view.

Tutor-Marked Assignments/ Self Assessment Exericises

There are 16 Tutor-Marked Assignments (TMAs) in this course. You need to submit at least four assignments of which the highest three marks will be recorded. Each recorded assignment counts 10 percent towards your total course grade. Three recorded assignments will thus count for 30 percent. Whem you complete your assignments, send them including your form to your tutor for formal assessment on or before the deadline.

Self Assessment Exercises are provided in each unit. The exercises should help you to evaluate your understanding of the materials so far. They are not to be submitted. However, answers are provided or directions given as to where to find answers within the units.

Final Examination and Grading

There will be a final examination at the end of the course. The examination carries a total mark of 70% of the total course grade. The examination will reflect the contents of what you have learnt and the self-testing and tutor-marked assignments. You therefore need to revise your course materials before the examination.

Course Marking Scheme

The table below shows the breakdown of how the students course assessment is done

Assignment	**Marks**
Assignment :There are 16 assignments	Four assessments, best three marks out of four count @ 10% each = 30% Course Marks
Final Examination	70% of overall Course Marks
Total	100% of Course Marks

Summary

INR 372: INR 372 is designed to facilitate understanding of the nature regional Institutions and why they were created after the WW II. An insight is also provided through the course on how the different Institutions have been used to promote development and Global trade. The objectives of each unit are specified at the beginning of the units and are to be used as reference points and to evaluate the level of progress in the study. At the end of each unit, the objectives are also useful to check whether the progress is consistent with the stated objectives of the unit. The entire units are sufficient to completely achieve overall objective of the course.

- Explain the complexities and changing trends of Regional Integrative systems and institutions.
- Discuss the nature, aims and objectives of regional Integration in the world today.
- Describe the methods, strategies, and means of integration in different regions of the world.

- Examine the broad issues of developmental economics and why regional integration is necessary today.
- Provide a justification for regional integration globally.

Course Overview

There are16 units in this course. You are to spend one week on each unit. One of the advantages of Open and Distance Learning (ODL) is that you can read and work through the designed course materials at your own pace, and at your own convenience. The course material replaces the lecturer that stands before you physically in the classroom.

All the units have similar features. Each unit has seven items beginning with the introduction and ending with reference/suggestions for further readings.

COURSE OVERVIEW

Units	Title of Work	Week Activity	Assignment (End-of-Unit)
Course Guide			
Module 1	**Regional Integration in Europe**		
Unit 1	Introduction, Definition, and Theories	Week 1	Assignment 1
Unit 2	Regional Integration in Europe	Week 2	Assignment 1
Unit 3	The European Union	Week 3	Assignment 1
Unit 4	Competence and responsibilities of the European Union		Assignment 1
Module 2	**Regional Integration in Asia/Latin America**		
Unit 1	Association of South East Asia Nations (ASEAN)	Week 4	Assignment 1
Unit 2	ASEAN Communities	Week 5	Assignment 1
Unit 3	Regional Integration in Latin America		Assignment 1
Unit 4	The Maghreb Union	Week 6	Assignment 1
Module 3	**Regional Integration in Africa**		
Unit 1	The Central Africa Economic and Monetary	Week 7	Assignment 1

Units	Title of Work	Week Activity	Assignment (End-of-Unit)
	Community (CEMAC)		
Unit 2	Southern Africa SADC	Week 8	Assignment 1
Unit 3	The Economic Community of West Africa (ECOWAS)	Week 9	Assignment 1
Unit 4	A Critique of the Economic Community of West Africa (ECOWAS)	Week 10	Assignment 1
Module 4	**Challenges and Successes**		
Unit 1	The EU Successes and Challenges	Week 11	Assignment 1
Unit 2	The Lessons from ASEAN	Week 12	Assignment 1
Unit 3	Lessons From Africa		Assignment 1
Unit 4	Conditions for Success of Regional Integration in Africa	Week 13	Assignment 1
	Revision	Week 14	
	Examination	Week 15-17	
	Total	**18 Weeks**	

What You Will Need in the Course

There will be some recommended texts at the end of each module that you are expected to purchase. Some of these texts will be available to you in libraries across the country. In addition, your computer proficiency skill will be useful to you in accessing internet materials that pertain to this course. It is crucial that you create time to study these texts diligently and religiously.

Facilitators/Tutors and Tutorials

The course provides fifteen (15) hours of tutorials in support of the course. You will be notified of the dates and locations of these tutorials, together with the name and phone number of your tutor as soon as you are allocated a tutorial group. Your tutor will mark and comment on your assignments, and watch you as you progress in the course. Send in your tutor-marked assignments promptly, and ensure you contact your tutor on any difficulty with your self-assessment exercise, tutor-marked assignment, and the grading of an assignment. Kindly note that your attendance and contributions to discussions as well as sample questions are to be taken seriously by you as they will aid your overall performance in the course.

HOW TO GET THE MOST FROM THIS COURSE

1. There are 16 units in this course. You are to spend one week in each unit. In distance learning, the study units replace the university lecture. This is one of the great advantages of distance learning; you can read and work through specially designed study materials at your own pace, and at a time and place that suites you best. Think of it as reading the lecture instead of listening to the lecturer. In the same way a lecturer might give you some reading to do. The study units tell you when to read and which are your text materials or recommended books. You are provided exercises to do at appropriate points, just as a lecturer might give you in a class exercise.

2. Each of the study units follows a common format. The first item is an introduction to the subject matter of the unit, and how a particular unit is integrated with other units and the course as a whole. Next to this is a set of learning objectives. These objectives let you know what you should be able to do, by the time you have completed the unit. These learning objectives are meant to guide your study. The moment a unit is finished, you must go back and check whether you have achieved the objectives. If this is made a habit, then you will significantly improve your chance of passing the course.

3. The main body of the unit guides you through the required reading from other sources. This will usually be either from your reference or from a reading section.

4. The following is a practical strategy for working through the course. If you run into any trouble, telephone your tutor or visit the study centre nearest to you. Remember that your tutor's job is to help you. When you need assistance, do not hesitate to call and ask your tutor to provide it.

5. Read this course guide thoroughly. It is your first assignment.

6. Organise a study schedule – Design a 'Course Overview' to guide you through the course. Note the time you are expected to spend on each unit and how the assignments relate to the units.

7. Important information; e.g. details of your tutorials and the date of the first day of the semester is available at the study centre.
8. You need to gather all the information into one place, such as your diary or a wall calendar. Whatever method you choose to use, you should decide on and write in your own dates and schedule of work for each unit.

9. Once you have created your own study schedule, do everything to stay faithful to it.

10. The major reason that students fail is that they get behind in their coursework. If you get into difficulties with your schedule, please let your tutor or course coordinator know before it is too late for help.

11. Turn to Unit 1, and read the introduction and the objectives for the unit.

12. Assemble the study materials. You will need your references for the unit you are studying at any point in time.

13. As you work through the unit, you will know what sources to consult for further information.

14. Visit your study centre whenever you need up-to-date information.

15. Well before the relevant online TMA due dates, visit your study centre for relevant information and updates. Keep in mind that you will learn a lot by doing the assignment carefully. They have been designed to help you meet the objectives of the course and, therefore, will help you pass the examination.

16. Review the objectives for each study unit to confirm that you have achieved them. If you feel unsure about any of the objectives, review the study materials or consult your tutor. When you are confident that you have achieved a unit's objectives, you can start on the next unit. Proceed unit by unit through the course and try to space your study so that you can keep yourself on schedule.

17. After completing the last unit, review the course and prepare yourself for the final examination. Check that you have achieved the unit objectives (listed at the beginning of each unit) and the course objectives (listed in the course guide).

Conclusion

This is a theoretical as well as empirical course and so, you will get the best out of it if you can read wide, listen to as well as examine international regulations and agreement between and among states and get familiar with international reports across the globe on Regional Integration and Institutions.

Summary

This Course Guide has been designed to furnish you with the information you need for a fruitful experience in the course. In the final analysis, how much you get from it depends on how much you put into it in terms of learning time, effort and planning.
I wish you all the best in INR 372 and in the entire programme!

A List of Acronyms and Abbreviations

AU	Africa Union
COMESA	Common Market for Eastern and Southern African
CDP	Community Development Programme
CCPIT	Council for Promotion of International Trade
DANIDA	Danish International Development Agency
DFID	Department for International Development
ECOWAS	Economic Community of West African States
EPA	Economic Partnership Agreement
ECOWAP	ECOWAS Agriculture Policy
EBID	ECOWAS Bank for Investment Development

EMCP	ECOWAS Monetary Cooperation Programme
ETLS	ECOWAS Trade Liberalization Scheme
EIS	Enterprise Information System
EEC	European Economic Community
EU	European Union
FEWACC	Federation of West African Chambers of Commerce and Industry
FEWAMA	Federation of West African Manufacturers Association
ECOWAS-FEBWWE	Federation of Women and Women Entrepreneurs
GMDC	Global Meltdown Congestion
GDP	Gross Domestic Product
ICT	Information Communication Technology
IFC	International Finance Co-operation
IFAD	International Fund Agricultural Development
JFA	Joint Financial Agreement
KPI	Key Performance Indicators
MDGs	Millennium Development Goals
NEPAD	New Partnership for Africa's Development
OECD	Organization for Economic Co-operation and Development
RPRSP	Regional Poverty Reduction Strategy Paper
RECs	Regional Economic Communities
RMTAA	Regional Medium-Term Action Area
MERCOSUR	Southern Common Market
SIDA	Swedish International Development Co-operation Agency
TVET	Technical Vocational Educational and Training
TVEET	Technical Vocational Educational Education and Training
UEMOA	*Union Economique ET Monetaire Quest Africane*
UN	United Nations (UN)
(UNICEF)	United Nations Children Fund
(UNDP)	United Nations Development Program
(UNECA)	United Nations Economic Commission of Africa
(UNESCO)	United Nations Educational Scientific, Cultural and Organization
(UNHCR)	United Nations High Commissioner for Refugee
(UNIDO)	United Nations Industrial Development Organization
(UNOWA)	United Nations of West Africa
(USAID)	United States Agency of International Development
(WACB)	West Africa Central Bank
(WAHO)	West Africa Health Organization
(WAMZ)	West Africa Monetary Zoning
(WAPP)	West Africa Power Pool
(WACB)	West African Currency Board

MAIN COURSE

CONTENT

MODULE 1 INTRODUCTION, DEFINITION AND THEORIES

This module provides a general overview of the nature of Regional Integration. The intention here is to expose you to the definition, the concepts and theories of regional integration. Without wasting time, in Unit two you are taken to Western Europe to discover the origin of regional integration in the world and how it spread to the rest of the world.

This module which is made up of four units provides the background for understanding subsequent discussions on global regional integrations as well as the attendant challenges which came with it.

UNIT 1 INTRODUCTION DEFINITION AND THEORIES

CONTENTS

1.0 INTRODUCTION

This is the first among the four units that constitute the module. As an introduction the unit defines regional integration and goes ahead to examine its formation through supranational institutional structures and via intergovernmental decision making or a combination of both. Discussions in this unit take a broad overview of the conceptual and theoretical clarifications of and also form the foundations upon whish specific issues are built.

2.0. Objectives

At the end of this unit you should be able to:

a. Define Regional Integration in your own words or adapt various definitions drawn from various authors.
b. Discuss at least five important functions that a good regional integration initiative must fulfill
c. Explain the theoretical foundations of conventional approaches to regional integration which dates back to three important schools of economic thought in the 1960s: Neoclassical economics, Marxism and development economics.

3.0 Main Content

3.1 Definition/Description

Regional integration is a process in which neighbouring states enter into an agreement in order to upgrade cooperation through common institutions and rules. The objectives of the agreement could range from economic to political to environmental, although it has typically taken the form of a political economy initiative where commercial interests are the focus for achieving broader socio-political and security objectives, as defined by national governments. Regional integration has been organized either via supranational institutional structures or through intergovernmental decision-making, or a combination of both. Past efforts at regional integration have often focused on removing barriers to free trade in the region, increasing the free movement of people, labour, goods, and capital across national borders, reducing the possibility of regional armed conflict (for example, through Confidence and Security-Building Measures), and adopting cohesive regional stances on policy issues, such as the environment, climate change and migration.

Intra-regional trade refers to trade which focuses on economic exchange primarily between countries of the same region or economic zone. In recent years countries within economic-trade regimes such as ASEAN in Southeast Asia for example have increased the level of trade and commodity exchange between themselves which reduces the inflation and tariff barriers associated with foreign markets resulting in growing prosperity

Regional integration has been defined as the process through which national states

> *voluntarily mingle, merge and mix with their neighbors so as to lose the factual attributes of sovereignty while acquiring new techniques for resolving conflicts among themselves.*

De Lombaerde and Van Langenhove describe it as a worldwide phenomenon of territorial systems that increases the interactions between their components and creates new forms of organization, co-existing with traditional forms of state-led organisation at the national level. Some scholars see regional integration simply as the process by which states within a particular region increase their level of interaction with regard to economic, security, political, or social and cultural issues.[3]

In short, regional integration is the joining of individual states within a region into a larger whole. The degree of integration depends upon the willingness and commitment of independent sovereign states to share their sovereignty. Deep integration that focuses on regulating the business environment in a more general sense is faced with many difficulties.

Regional integration initiatives, according to Van Langenhove, should fulfil at least eight important functions:

- the strengthening of trade integration in the region
- the creation of an appropriate enabling environment for private sector development
- the development of infrastructure programmes in support of economic growth and regional integration
- the development of strong public sector institutions and good governance;
- the reduction of social exclusion and the development of an inclusive civil society
- contribution to peace and security in the region
- the building of environment programmes at the regional level
- the strengthening of the region's interaction with other regions of the world.[5]

The crisis of the post-war order led to the emergence of a new global political structure. This new global political structure made obsolete the classical Westphalian concept of a system of sovereign states to conceptualise world politics. The concept of sovereignty became looser and the old legal definitions of the ultimate and fully autonomous power of a nation-state are no longer meaningful. Sovereignty, which gained meaning as an affirmation of cultural identity, has lost meaning as power over the economy. All regional integration projects during the Cold War were built on the Westphalia state system and were designed to serve economic growth as well as security motives in their assistance to state building goals. Regional integration and globalisation are two phenomena that have challenged the pre-existing global order based upon sovereign states since the beginning of the twenty-first century. The two processes deeply affect the stability of the Westphalia state system, thus contributing to both disorder and a new global order.

Closer integration of neighbouring economies has often been seen by governments as a first step in creating a larger regional market for trade and investment. This is claimed to spur greater efficiency, productivity gain and competitiveness, not just by lowering border barriers, but by reducing other costs and risks of trade and investment. Bilateral and sub-regional trading arrangements have been advocated by governments as economic development tools, as they been designed to promote economic deregulation. Such agreements have also aimed to reduce the risk of reversion towards protectionism, locking in reforms already made and encouraging further structural adjustment.

Some claim the desire for closer integration is usually related to a larger desire for opening nation states to the outside world, or that regional economic cooperation is pursued as a means of promoting development through greater efficiency, rather than as a means of disadvantaging others. It is also claimed that the members of these arrangements hope that they will succeed as building blocks for progress with a growing range of partners and towards a generally freer and open global environment for trade and investment and that integration is not an end in itself, but a process to support economic growth strategies, greater social equality and democratisation. However, regional integration strategies as pursued by economic and national interests, particularly in the last 30 years, have also been highly contested across civil society. There is no conclusive evidence to suggest that the strategies of economic deregulation or increased investor protection implemented as forms of regional integration have succeeded in contributing to "progress" in sustainable economic growth, as the number of economic crises around the world have increased in frequency and intensity over the past decades. Also, there is increasing evidence that the forms of regional integration employed by nation states have actually worsened social inequality and diminished democratic accountability. As a result of the persisting contradiction between the old promises of regional integration and real world experience, the demand from across global civil society for alternative forms of regional integration has grown.

Regional integration arrangements are a part and parcel of the present global economic order and this trend is now an acknowledged future of the international scene. It has achieved a new meaning and new significance. Regional integration arrangements are mainly the outcome of necessity felt by nation-states to integrate their economies in order to achieve rapid economic development, decrease conflict, and build mutual trusts between the integrated units. The nation-state system, which has been the predominant pattern of international relations since the Peace of Westphalia in 1648 is evolving towards a system in which regional groupings of states is becoming increasingly important vis-a-vis sovereign states. Some have argued that the idea of the state and its sovereignty has been made irrelevant by processes that are taking place at both the global and local level. Walter Lippmann believes that, "the true constituent members of the international order of the future are communities of states." E.H. Carr shares Lippmann view about the rise of regionalism and regional arrangements and commented that, "the concept of sovereignty is likely to become in the future even more blurred and indistinct than it is at present."

Regional Integration Agreements

Regional integration agreements (RIAs) have led to major developments in international relations between and among many countries specifically increases in

international trade and investment and in the formation of regional trading blocs. As fundamental to the multi-faceted process of globalization, regional integration has been a major development in the international relations of recent years. As such, Regional Integration Agreements has gained high importance. Not only are almost all the industrial nations part of such agreements, but also a huge number of developing nations too are a part of at least one, and in cases, more than one such agreement.
The amount of trade that takes place within the scope of such agreements is about 35%, which accounts to more than one-third of the trade in the world. The main objective of these agreements is to reduce trade barriers among those nations concerned, but the structure may vary from one agreement to another. The removal of the trade barriers or liberalization of many economies has had multiple impacts, in some cases increasing Gross domestic product (GDP), but also resulting in greater global inequality, concentration of wealth and an increasing frequency and intensity of economic crises.

The number of agreements agreed under the rules of the GATT and the WTO and signed in each year has dramatically increased since the 1990s. There were 194 agreements ratified in 1999 and it contained 94 agreements form the early 1990s.
The last few years have experienced huge qualitative as well as quantitative changes in the agreements related to the Regional Integration Scheme. The top three major changes were:

- Deep Integration Recognition
- Closed regionalism to open model
- Advent of trade blocs

SELF ASSESSMENT EXCERCISE
What is regional Integration?

3.2 Deep Integration Recognition

Deep Integration Recognition analyses the aspect that effective integration is a much broader aspect, surpassing the idea that reducing tariffs, quotas and barriers will provide effective solutions. Rather, it recognizes the concept that additional barriers tend to segment the markets. This in turn impedes the free flow of goods and services, along with ideas and investments. Hence, it is now recognized that the current framework of traditional trade policies are not adequate enough to tackle these barriers. Such deep-integration was first implemented in the Single Market Program in the European Union. However, in the light of the modern context, this debate is being propounded into the clauses of different regional integration agreements arising out of increase in international trade.

Closed regionalism to Open Model
The change from a system of **Closed regionalism** to a more **Open Model** had arisen out of the fact that the section of trading blocs that were created among the developing countries during the 1960s and 1970s were based on certain specific models such as those of import substitution as well as regional agreements coupled with the prevalence generally high external trade barriers. The positive aspects of such shifting is that there has been some restructuring of certain old agreements. These agreements tend to be more forward in their outward approach as well as show

commitment in trying to advance international trade and commerce instead to trying to put a cap on it by way of strict control.

Advent of Trade Blocs

The **Advent of Trade Blocs** tend to draw in some parity between high-income industrial countries and developing countries with a much lower income base in that they tend to serve as equal partners under such a system. The concept of equal partners grew out of the concept of providing reinforcement to the economies to all the member countries. Under this section the various countries agree upon the fact that they will help economies to maintain the balance of trade between and prohibit the entry of other countries in their trade process.

An important example of this would be the North American Free Trade Area (NAFTA), formed in 1994 when the Canada - U. S. Free Trade Agreement was extended to Mexico. Another vibrant example would entail as to how EU has formed linkages incorporating the transition economies of Eastern Europe through the Europe Agreements. It has signed agreements with the majority of Mediterranean countries by highly developing the EU-Turkey customs union and a Mediterranean policy.

SELF ASSESSMENT EXCERCISE

Differentiate between a Closed model and an Open model of regionalism

3.3 Theories of Integration

The theoretical foundations of conventional approaches to regional integration date back to three important schools of economic thought in the 1960s: Neoclassical economics, Marxism and development economics. The earliest theoretical work on regional integration emanated from the theory of comparative advantage in international trade, and the interest of liberal economists in promoting the reduction of tariff and nontariff barriers to trade. At issue was the choice of modalities for implementing such policies and the effectiveness of regional integration as a mechanism of trade liberalization.

Viner’s classic article on the subject pointed out that regional economic integration could lead to either “trade creation” or “trade diversion” (Viner 1950). By reducing trade barriers between neighbouring countries, customs unions and free trade areas could promote economic efficiency in the allocation of resources by contributing to the gradual strengthening of international trade. However, the emergence of such economic entities could also promote trade “diversion” and become a source of economic inefficiency, if the most competitive producers of a particular product suddenly found themselves excluded from the regional market as a result of the customs union.

This approach continues to inspire the economics profession even today, and the issue of integration seen from the point of view of comparative advantage and the trade creation/diversion dichotomy is still prevalent in the specialized literature, as reflected in contemporary debate on whether the formation of major economic blocs constitutes progress or a hinderance to the liberalization of international trade. However, there are serious analytic limitations to this model, with its focus on static efficiency in the allocation of resources, for countries whose main interest lies in the dynamics of development and industrialization.

Marxist-Leninist thinkers have adopted a different approach (see Inotai 1982; Benallègue 1987). In their view, integration emerges as a reflection of the internationalization of capital and is intrinsic to the evolution of the capitalist economy. For example, the creation of a single European market is seen to reflect the concentration of capital and the internationalization of European firms, rather than the desire of welfare-maximizing governments to rationalize the allocation of resources among the countries concerned. The integration of the European market is thus the consequence, not the precursor, of the transformation of production and trade in favour of larger firms. Regional integration, so conceived, is a source of exclusion and impoverishment of small-scale enterprise and a range of social groups through the usual mechanisms of market displacement. Developing countries intent on actively promoting development through the initiative of the state are urged not to rely on free market forces. Integration among developing countries, in this view, should be geared toward the rational use of available resources according to a planned and centralized approach to production for the satisfaction of the region's own needs.

Although appealing in its dynamic vision of development, this approach is based on some questionable assumptions, notably about the effectiveness of planning in relation to markets. The rapid collapse of the Eastern Bloc's Council for Mutual Economic Assistance (COMECON) after the break up of the Soviet Union has largely relegated to the history books an approach to economic cooperation and integration based on centralized planning and government directives.

The analysis adopted by Marchal (1965) and Perroux (1966) seemed to mark a watershed in thinking about integration. These authors proposed an alternative approach that would take into account the historical dimension of economic and social phenomena. According to Marchal, integration as the *result* of development is distinct from integration as an *instrument* or precondition of development. Economic integration can be perceived as the historical product of evolving technical, economic, and social structures; or it can be the product of conscious efforts on the part of human societies, acting collectively to improve their economic condition as a matter of policy choice. Marchal shows that integration taken as a product of history is first and foremost the result of social transformation. It cannot occur just anywhere or under just any conditions. Perroux (1966) follows a similar approach, centred upon three questions: who integrates? through what process? and to whose advantage?

However, in operational terms, these two authors do not stray very far from the voluntarist approach of their predecessors or from related development thinking prevalent at the time. For Marchal (1965), integration must be based on industrialization as its driving force, and it must be sustained by those social forces capable of supporting and organizing the industrialization process. Similarly, borrowing from development and industrialization thinking of the 1960s, Perroux (1966) builds his model around the concepts of growth poles, strategic investments, and industrialization. Industrialization is presented here as a collective instrument of development, based on import protection. He draws a distinction between three models of integration and industrialization, based respectively on the use of markets, productive investments, or institutional mechanisms.

This developmentalist and industrializing view of integration ends up assigning a secondary role to the social dimension of the issue, thus abandoning the approach initially adopted and replacing it with a technocratic and geographically focused one. Perroux (1966) thus begins by proposing a socioeconomic and political approach to integration, but allows it to be deformed by the influence of existing development theories.

This brief overview suffices to illustrate the voluntaristic thread of these various approaches. Each of these models is based on the absence, or at least the neutrality, of extra-economic factors in decision-making, thus ignoring the social and political dynamics likely to have an impact on the integration process. Such an approach may be of some use in the design of theoretical constructs, but it is hopelessly inadequate if the aim is to design actual economic policies or strategies for change.

In most cases of regional economic integration among Third World countries, research in this field is dominated by theories based on the European experience. The European Economic Community (EEC), now European Union (the EU), has become "a living laboratory for the integration theory" (Asante 2002:5). Not surprisingly, the literature on economic integration and development has pointed out that developing countries do not satisfy the criteria of neo-classical customs union theory and that they will not reap the traditional welfare gains from integration. Hence, economist such as Viner and Lipsey deny that integration schemes will benefit developing countries (Viner, 1950 and Lipsey, 1960: 496-513). Their argument is based on the concepts of trade creation and trade diversion.

Viner (1950) defines trade creation as a shift in trade from high cost to a low cost source of supply within the integration area, and trade diversion as shift from a low cost source of supply outside the integration area to a high cost producer within it. In Viner's view, if there is more trade diversion than trade creation within a customs union, then the net effect on world welfare and the welfare of members will be negative. Since trade diversion (at least in the short run) will obviously prevail over trade creation in Third World customs union, argues Asante, as the members shift from low cost producers in the developed world to high cost producers among their neighbors, Viner and Lipsey are opposed to the creation of customs union among developing countries. However, there has been a growing criticism about applying Viner's criteria and Lipsey's general conclusions to the possible effects of customs union among developing countries. Therefore, on a synoptic conception of several authors (Atsain, 1983; Robson, 1968; Nowzad, 1969), economic integration connotes a process of economic development which involves the elimination of discriminatory barriers among economic units of nation-state. For easy operational community arrangements, such economic units are expected notably to be units within a regional/sub-regional setting e.g., African, European, West African, East African and Central African settings. Put simply, economic integration in an economic region involves pure economic and political unification, economic/political cooperation and free trade areas (Nwabuzor, 1982).

Theoretically and empirically too, the main concern of the theory of economic integration is the gains from changes from the isolationist approach in development efforts to the collective and cooperative regional arrangements (Robson, 1980: 145). However, the relevant aspect of that theory which informs the establishment of

African, European and American economic communities, also as earlier noted, is the "Customs Union Theory" which proposes trade creation among member states based on comparative cost advantages (Viner 1950; Robson, 1980).

Whereas, the Custom Union Theory seems to have underpinned the cooperative and collective economic arrangements among the nations within an eco-political region/sub-region in both the developed and developing nations alike, nonetheless, its adoption in different zones tends to focus on divergent goals. In Africa, quite unlike Europe, the overriding necessity to accelerate, foster and encourage the socio-economic development of African countries was seen as major development priorities at independence (OAU, 1963; ECOWAS, 1975). This therefore explains the need for the promotion of harmonious economic development of the region and the subsequent call for effective regional/sub-regional economic cooperation via the elimination of all types of obstacles to the free movement of goods/services and factors of production. In this regard, African regional groupings are couched under the efficacy of the theory of Customs Union focused on trade liberalization and its attendant benefits and also collective self-reliance, within the scope of economic prosperity.

Integration in the West African sub-region has largely been informed by integration process in Western Europe, Latin America, Asia and elsewhere in Africa. The main objectives of integration in these areas have generally been both economic and political. It has been economic where the immediate preoccupation has been the promotion of better economic welfare or economic development. Where it has been political, the ultimate concern is the political unity of the component states. The emergence of a federal or confederate system is to cater better for the political and economic interests of the member states in a highly competitive global system.

The inevitability of political unity has been underscored by the fact that economic integration has been a political process: it requires the surrender of the major national economic instruments to the supranational authority; also, it involves the government of the Member States as the major actors as far as the initiation and implementation of sub-regional policies are concerned. The integration objectives in the Economic Community of West African States (ECOWAS) are essentially the same although the political aspect has not been overtly proclaimed as in the case of European Economic Community (EEC). Many West African leaders are first concerned with the promotion of economic development as the first step to ensure political independence.

Accordingly, most studies adopt the Functionalist approach to the study of regional integration because theorists are concerned about integration as a contractual form of interdependent relations of states that share common experiences, values, interests and aspirations and that agreed to work together for the realisation of commonly set goals. (Haas, 1976) This is preferred because it provides institutional mechanism that promotes regional integration as is seen in ECOWAS. The functionalist-neofunctionalist approach, stresses the way in which supranational institutions possessing binding decision-making power emerge from a convergence of self-interest on the part of various significant groups in society.

Mitrany (1965) observes that integration by any means is a long and arduous process. Although, some observers have predicted integration through federation, most hold that integration is a testing process tied to compiled successes. Functional model of integration rejects rapid constitutional consolidation and looks instead to progress in specific sectors. The functionalist view holds that even compatible societies cannot integrate all public functions simultaneously. Gradual and parallel progress in several sectors may converge into general, cross sectoral integration. Without this convergence, integration is encapsulated or isolated as having no carry over effects in other sectors. It is Mitrany's theory that they felt the need in one particular sector generates a felt need for functional collaboration in another sector. He, therefore, felt and concluded that functional activity could change international activity and give it a new orientation in such a way that people think more and more of working together rather than getting engaged in activities that conflict and lead to confrontation.

The Functionalist thesis like Oyewunmi lays much emphasis on an apolitical approach to integration. The argument of the functionalist thesis according to Oyewunmi (2002) therefore, is that integration is best achieved through a gradual and incremental process which will gain a momentum of its own as the interests of member states converge and as they become more and more independent, in other words, integration by stealth, a case of one thing leading inexorably to the other. Neo-functionalism which is regarded as off-shoot of functionalism (though there are contestations on whether functionalism preceded integration or functionalism is part of integration theory) relies on organization by functions but it brings about new functions, consequences and relations, as the spill-over effect. 'Spill-over" refers to demonstration effects and to aspects of sector integration. People through a learning process as the experience of one endeavor leads to task expansion and diversification or spill-over so as to bring about greater collaboration and peace. A leading Neo-Functionalist, Haas (1964) has especially used the "spill over" to show how functions can eventually lead to the demise of the nation-state. By this, he meant a situation whereby, through peace and non-coercive means, people are brought together from different nation-states and they begin to work and do things together. However, several criticisms have been leveled against neo-functionalism showing its limitations in explaining what actually goes on in the international system, it would be wise to agree with scholars like Adeniran, (1983) that integration is an outgrowth of functionalism. It is the coming together at a high level, within the international system of certain units from a lower level. Integration implies the shift of allegiance from, one's tribe or ethnic group to the nation or from one's nation to an international community or regional association. This occurs mostly in expectation of joint rewards or for fear of likely penalties.

Integration has long been identified by states men and leaders around the world as strategy for development, the evidence being the different regional groups that have been formed especially since the wake of the 1970s. Even the largest world economic power, the United States of America and other industrialized nations of the world find it necessary to integrate and have different groups formed for this purpose. It then means that the benefits of integration cannot be over-emphasized. Tokuta, (1984) particularly states that integration has been proposed with much fervor, particularly in developing countries, as a major response to the problems of underdevelopment. As the gap between the developed and the underdeveloped countries increases, integration is conceived as a defensive reaction by the developing countries to harness their limited resources for development purposes as well as a source of barging power in their relations with the developed world. This gap has become more widened with intensification of economic, political, social and cultural relations across international boundaries and especially the current economic dominance in form of globalization.

In the view of David Mitrany, the leading exponent of functionalism shortly after 1945, integration could be effected through the creation of a transactional complex of economic and social organization. International activities could be organized around basic functional needs such as transportation, health and welfare necessities, cultural activities, trade and production. This process would not involve the surrender of national sovereignty but would promote global peace and security.

In organizing these thoughts and model, Mitrany assumes first that politics and economics cannot be separated in the functions of the state but that both could be internationalized without any visible loss of sovereignty by the state. However, it is difficult to internationalize political and socio-economic issues in the affairs among the state. This is particularly so in the cases of newly independent countries which are generally sensitive to the full control over economic development and therefore of legitimizing governments. It was in this vein that I.L. Claude (Jr.) argued that states are not likely to be induced to participate in functional endeavours where they have unsettled political and security issues which divide them.

Also, Mitrany assumes that the internationalization of politics and economics would ultimately shift loyalty and sovereignty from states to international organizations. This, he said, would occur as a result of specifying the technical and non-controversial aspects of governmental conducts and weaving an ever-spreading web of international institutional relationships with initial concentration on commonly experienced or non-controversial needs and the expansion of these at the expense of the political needs.

Again, this assumption is fraught with certain difficulties. The establishment of new international organizations may not lead to the shift of loyalties from states. This was for example, well illustrated in the case of the defunct East African Community. The community had a well organized East African Airways which served the three Member States, Kenya, Tanzania and Uganda. In spite of this however, Kenyan industrialists persistently argued for a separate-operated national airways on the grounds that the sub-regional one was inefficient and did not adequately serve their growing requirements.

4.0 Conclusion

Integration has long been identified by states men and leaders around the world as strategy for development, the evidence being the different regional groups that have been formed especially since the wake of the 1970s. Even the largest world economic power, the United States of America and other industrialized nations of the world find it necessary to integrate and have different groups formed for this purpose. It then means that the benefits of integration cannot be over-emphasized.

5.0 Summary

Discussions in this unit have focused primarily defining regional integration and explaining its origin in Europe and the different theoretical conceptualizations surrounding it. It should be obvious to you now as a student that regional integration is all about economic development and growth around the globe. Also that the forces of globalization have deepened interdependency between and among states making it impossible for any state or nation to exist in isolation

6.0 Tutor-Marked Assignment

Explain what you understand the 'Custom Union theory' to mean and what theory do the developing countries base their integration upon and why.

7.0 References/Further Reading

Bellassa, B. (1964) "*Theory of Economic Integration* Homewood", Illinois: Richard D. Irwin Inc Deutsch, K. W. (1957) et al. *Political Community and the North Atlantic Area* Princeton University Press: Princeton.

Etzioni, A. (1965) *Political Unification*. New York: Holt Rinchart and Winston.

Haas, E.B. (1964) *Beyond the National State*. Stanford California: Standard University Press.

Hazelwood, A. (1967) "Problems of Integration among African State" In Hazelwood, A. (Eds.) *Africa Integration and Disintegration* London: Oxford University Press.

Lipsey, R.G. (1960) "The Theory of Customs Union: A General Survey". *Economic Journal Vol. 70* Pp 496 – 513

Machlup, F. (1976) "A History of Thought on Economic Integration" In Machlup

(Eds) *Economic Integration World Wide" Regional, Sectoral* London: Macmillan Press.

Military, D. (1965) "The prospects of Integration: Federal or functional", Journal of Common Market Studies, Vol.4.

Mytelka, L. (1994) "Regional Cooperation and the New Logic of International Competition" In Mytelka, L. (Ed.) *South-South Cooperation in a Global Perspective* Paris: OECD pp 21-54.

Myelka, L. K. (1979). "Regional Development in a Global Economy" Yale University Press

Vaitos, C. V. (1978) "Crisis in Regional Economic Cooperation (Integration) Among Developing Countries: A survey" World Development.

Viner, J. (1950) *The Custom Union Issues* New York: Carnegie Endowment for International Peace.

UNIT 2 REGIONAL INTEGRATION IN EUROPE

CONTENTS

1.0 INTRODUCTION

In the first unit, we defined regional Integration and examined in great detail what we mean by the term Integration pointing out what Closed and Open integration is all about. The unit further went into the theories of regional integration examining the various arguments of different theorists. In this unit, we are going to examine the history and objectives of the European Union in other to find out what actually brought the members of these communities together to form a Union.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

a. State when and how regional integration came about in Europe
b. Mention and discuss the various objectives of the EU.

3.0 Main Content

3.1 History of Regional Integration in Europe

In 1951, a few Western European states agreed to confer powers over their steel and coal production to the European Coal and Steel Community (ECSC) in the Treaty of Paris, which came into force on 23 July, 1952. Coal and steel production was essential for the reconstruction of countries in Europe after the second World War and this sector of the national economy had been important for warfare in the first and second World Wars. Therefore, France had originally maintained its occupation of the Saarland with its steel companies after the founding of the Federal Republic of Germany (West Germany) in 1949 by transferring national powers over the coal and steel production to a newly created ECSC Commission, the member states of the ECSC were able to provide for greater transparency and trust among themselves. This transfer of national powers to a ‘Community’ to be exercised by its Commission was paralleled under the 1957 Treaty of Rome establishing the European Atomic Energy Community (or Euro atom) and the European Economic Community (EEC) in Brussels.

In 1967, the Merger Treaty (or Brussels Treaty) combines the institutions of the ECSC and Eura-tom into that of the EEC. They already shared a Parliamentary Assembly and Courts. Collectively, they were known as the European Communities. In 1987, the Single European Act (SEA) was the first known revision of the Treaty of Rome that formally established the single European market and the European Political Cooperation. The Communities still had independent personalities although were increasingly integrated, and over the years were transformed into what is now called the European Union.

The six states that founded the three Communities were known as the “inner six” (the “outer seven” were those countries who formed the European Free Trade Association). These were Belgium, France, Italy, Luxembourg, the Netherlands, and West Germany. The first enlargement was in 1973, with the accession of Denmark, Ireland and the United Kingdom. Greece joined in 1981, while Portugal and Spain did the same in 1986. On 3 October 1990 East Germany and West Germany were reunified, hence East Germany became part of the Community in the new reunified Germany (not increasing the number of states).
The European Union

The European Union (EU) is an association of twenty seven sovereign member states that by treaty have delegated certain of their competences to common institutions, in order to coordinate their policies in a number of areas, without however constituting a new state on top of the member states. It was officially established by the Treaty of Maastricht in 1993 upon the foundations of the pre-existing European Economic Community.

Thus, 12 states are founding members, namely, Belgium, Denmark, France, Germany, Greece, Ireland Italy, Luxembourg, the Netherlands, Portugal, Spain, and the United Kingdom. In 1995, Austria, Finland and Sweden joined the EU. Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia became members in 2004. Finally, Bulgaria and Romania gained access in 2007. Official candidate states include Croatia, Iceland, Macedonia, and Turkey. Applications have been submitted by Albania, Montenegro and Serbia. Morocco’s application was rejected by the EEC and Switzerland’s is frozen. Norway rejected membership in two referendums.

The institutions of the European Union, its parliamentarians, judges, commissioners and secretariat, the governments of its member states as well as their people, all playing a role in European integration. Nevertheless, the question of who plays the key role is disputed as there are different theories on European integration focusing on different actors and agency. The European Union has a number of relationships with nations that are not formally part of the Union. According to the European Union’s official site, and a statement by Commissioner Günter Verheugen, the aim is to have a ring of countries, sharing EU’s democratic ideals and joining them in further integration without necessarily becoming full member states.
The European Union operates a single economic market across the territory of all its members, and uses a single currency between the Euro zone members further the EU has a number of economic relationships with nations that are not formally part of the Union through the European economic area and Custom Union agreements.

Charter of Fundamental Rights of the European Union

The **Charter of Fundamental Rights of the European Union** enshrines certain political, social, and economic rights for European Union (EU) citizens and residents into EU law. It was drafted by the European Convention and solemnly proclaimed on

7 December 2000 by the European Parliament, the Council of Ministers and the European Commission. However, its then legal status was uncertain and it did not have full legal effect until the entry into force of the Treaty of Lisbon on 1 December 2009.

Under the Charter, the European Union must act and legislate consistently with the Charter and the EU's courts will strike down legislation adopted by the EU's institutions that contravenes it. The Charter applies to the Institutions of the European Union and its member states when implementing European Union law.

The Treaty establishing the European Economic Community (Treaty of Rome) did not include any reference to fundamental or human rights. The EEC Treaty was written a few years after the failure of the European Defence Community Treaty and the European Political Community Treaty. The latter treaty had included rights provisions and Craig and de Búrca argue that, in light of that failure, the drafters of the EEC Treaty wished to eschew any implicitly political elements. However, the idea that the purely economic end of the new EEC Treaty would be unlikely to have any implications for fundamental rights was soon to be tested.

Court cases

Soon after the entry into force of the EEC Treaty, the Community established itself as a major political entity with policy ramifications beyond its economic aims. In 1964, the European Court of Justice handed down its decision in *Costa v ENEL*, in which the Court decided that Union law should take precedence over conflicting national law. This meant that national governments could not escape what they had agreed to at a European level by enacting conflicting domestic measures, but it also potentially meant that the EEC legislator could legislate unhindered by the restrictions imposed by fundamental rights provisions enshrined in the constitutions of member states. This issue came to a head in 1970 in the *Handelsgesellschaft case* when a German court ruled that a piece of EEC legislation infringed the German Basic Law. On a reference from the German court, the ECJ ruled that whilst the application of Union law could not depend on its consistency with national constitutions, fundamental rights did form an "integral part of the general principles of [European Community] law" and that inconsistency with fundamental rights could form the basis of a successful challenge to a European law.

In ruling as it did in the *Handelsgesellschaft case* the ECJ had- in effect- created a doctrine of unwritten rights which bound the Community institutions. While the court's fundamental rights jurisprudence was approved by the institutions in 1977 and a statement to that effect was inserted into the Maastricht Treaty it was only in 1999 that the European Council formally went about the initiating the process of drafting a codified catalogue of fundamental rights for the EU.

Proclamation

In 1999 the European Council proposed that a "body composed of representatives of the Heads of State and Government and of the President of the Commission as well as of members of the European Parliament and national parliaments" should be formed to draft a fundamental rights charter. On being constituted in December of that year the "body" entitled itself the European Convention.

The Convention adopted the draft on 2 October 2000 and it was solemnly proclaimed by the European Parliament, the Council of Ministers and the European Commission on 7 December 2000. It was at the same time, however, decided to defer making a decision on the Charter's legal status. However, it did come with the political weight of having been approved by three powerful institutions and as such was regularly cited by the ECJ as a source of fundamental rights.

Legal force

A modified Charter formed part of the defunct European Constitution (2004). After that treaty's failure, its replacement, the Lisbon Treaty (2007), also gave force to the Charter albeit by referencing it as an independent document rather than by incorporating it into the treaty itself. However, both the version included in the Constitution and the one referenced in the Lisbon Treaty were amended versions of the Charter.

On the coming into force of the Lisbon Treaty on 1 December 2009, Justice Commissioner Viviane Reding proposed that Commissioners should swear to uphold all EU treaties and the Charter. On 3 May 2010, the European Commission swore a solemn declaration at the European Court of Justice in Luxembourg, pledging to respect the EU Treaties and to be completely independent in carrying out their duties during their mandate. For the first time, the Commissioners also explicitly pledged to respect the new Charter of Fundamental Rights.

Several states insisted upon an opt-out from national application of the charter (see below for details).

Legal status

Article 2 of the Charter affirms the prohibition on capital punishment in the EU

Following the entry into force of the Lisbon Treaty in 2009 the fundamental rights charter has the same legal value as the European Union treaties. The Charter referred to in the Treaty is an amended version of the 2000 document which was solemnly declared by the same three institutions a day before the signing of the Lisbon Treaty itself.

Article 51(1) of the Charter addresses the Charter to the EU's institutions, bodies established under EU law and, when implementing EU laws, the EU's member states. In addition both Article 6 of the amended Treaty of European Union and Article 51(2) of the Charter itself restrict the Charter from extending the competences of the EU. A consequence of this is that the EU will not be able to legislate to vindicate a right set out in the Charter unless the power to do such is set out in the Treaties proper. Furthermore, individuals will not be able to take a member state to court for failing to uphold the rights in the Charter unless the member state in question was implementing EU law. It is this last point that has been subject to the most debate.

The Charter is not the first attempt to place human rights principles at the core of European Union law. All EU member states are, and candidate states are required to be, signatories to the Council of Europe's European Convention on Human Rights, so that many principles from the Convention, such as the right to a fair trial, were taken as the baseline for European Court of Justice jurisprudence even before their formal reiteration in Charter. In interpreting the human rights protections provided by the general principles of EU law (described in the Court cases section above), the ECJ had already dealt with the issue of whether the rights protected by those general principles applied to member states. Having ruled in *Johnston v Royal Ulster Constabulary* that a right to fair procedures was one of the general principles of EU law, in *Kremzow v Austria* the ECJ had to decide whether or not a member state was obliged to apply that principle in relation to a wrongful conviction for murder. Kremzow's lawyers argued that his case came within the scope of EU law on the grounds that his wrongful conviction and sentence had breached his right to free movement within the EU. The ECJ responded by saying that since the laws under which Kremzow had been convicted were not enacted to secure compliance with EU law, his predicament fell outside the scope of EU law.

The wording in *Kremzow v Austria*, referring to the "field of application of EU law", differs from the wording in the Charter which refers to the implementation of EU law. However, the amended explanatory memorandum issued alongside the Charter in 2007 describes the wording used in the Charter as reflecting ECJ precedent.

The British and Polish protocol

In the negotiations leading up to the signing to the Lisbon Treaty, Poland and the United Kingdom secured a protocol to the treaty relating to the application of the Charter of the Fundamental Rights in their respective countries.

The protocol, in article 1(1) states that the "Charter does not extend the ability of the Court of Justice of the European Union, or any court or tribunal of Poland or of the United Kingdom, to find that the laws, regulations or administrative provisions, practices or actions of Poland or of the United Kingdom are inconsistent with the fundamental rights, freedoms and principles that it reaffirms." Article 1(2) then says that the Title IV of the Charter, which contains economic and social rights, does not create justiciable rights, unless Poland and the UK have provided for such rights in its national law.

Both countries to which the protocol currently applies had different reasons for negotiating the protocol. The United Kingdom originally opposed a legally binding charter over concerns that it would result in a stream of British citizens going to the European Court of Justice in attempts to enforce their Charter rights in the UK, and in increased costs for business. While the British accepted a legally binding rights charter during the negotiations of the failed European Constitution, they negotiated a protocol during the Lisbon negotiations which, according to the then British Minister for Europe, would ensure that the Charter would not extend the powers of the European Court of Justice over United Kingdom law.

Although their problems with the Charter related to its perceived liberal stance on social issues, in September 2007 the Polish government indicated that they wished to be included in the British protocol.

There is considerable debate concerning the legal effect of the protocol. One view, shared by Jan Jirásek, is that the protocol is an opt-out that excludes the application of the Charter to Poland and the United Kingdom. Another, shared by Ingolf Pernice, is that the protocol is only an interpretative protocol which will either have limited or no legal consequence. Craig and de Burcá argue that the protocol is merely declaratory. It says that the "Charter does not extend the ability" of the ECJ or other court to overturn UK or Polish law, but the ECJ already had the power to do this in any case. Accordingly, the Protocol is "unlikely that it will have any significant effect in practice."

In *NS v Home Secretary*, the European Court of Justice ruled that Article 1(1) of Protocol "explains Article 51 of the Charter with regard to the scope thereof and does not intend to exempt the Republic of Poland or the United Kingdom from the obligation to comply with the provisions of the Charter or to prevent a court of one of those Member States from ensuring compliance with those provisions."

Proposed Czech protocol

During the ratification of the Treaty of Lisbon, Czech President Václav Klaus expressed concern that the Charter would allow families of Germans who were expelled from territory in modern-day Czech Republic after the Second World War to challenge the expulsion before the EU's courts, though legal experts have suggested that the laws under which the German were expelled, the Beneš decrees, did not fall under the jurisdiction of EU law. After Klaus refused to finalize the Czech Republic's ratification of the Treaty of Lisbon unless the country was excluded from the Charter, as Poland and the United Kingdom had been, EU leaders agreed in October 2009 to amend the protocol to include the Czech Republic at the time of the next accession treaty in a measure designed to persuade Klaus to sign the treaty. He subsequently signed the treaty.

In September 2011, the Czech government formally submitted a request to the Council that the promised treaty revisions be made to extend the protocol to the Czech Republic, and a draft amendment to this effect was proposed by the European Council. However, the Czech Senate passed a resolution in October 2011 opposing their accession to the protocol. When Croatia's Treaty of Accession 2011 was signed in late 2011, the Czech protocol amendment was not included. During the Czech Republic's parliamentary ratification of the accession treaty in the spring of 2012, the government attempted to combine the approval of the Charter opt-out with the ratification bill. However, with the Senate controlled by the opposition parties, their objections to the opt-out could have led to the accession treaty being rejected. As a result, the government decided to separate the proposed opt-out from the accession treaty bill.

A vote on a draft report by the European Parliament Constitutional Affairs Committee in January 2012 recommending against granting the Czech Republic's request to be added to Protocol 30 resulted in a tie. The report argued that Protocol 30 was not functioning as a general opt-out from the Charter, but only allowed the countries to limit the application of subsequent EU laws based solely on the charter. Thus, the Czech Republic would still be bound by the Charter even if they were added to the Protocol. In October 2012, the committee approved the report. and a third draft of the report was published on 11 December 2012. The report was tabled in Parliament during its session on 22 May 2013, and the Parliament voted in favour of calling on the European Council "not to examine the proposed amendment of the Treaties". The Parliament did, however, give its consent in advance that a treaty revision to add the Czech Republic to Protocol 30 would not require a new convention.

In January 2014, after presidential and parliamentary elections the previous year had resulted in new leadership in the country, new Czech Human Rights Minister Jiří Dienstbier said that he would attempt to have his country's request for an opt-out withdrawn. This was confirmed on 20 February 2014 by the new Prime Minister Bohuslav Sobotka, who withdrew the request for an opt-out during a meeting with President of the European Commission José Manuel Barroso shortly after his newly elected government won the confidence of Parliament. In May 2014, the Council of the European Union formally withdrew their recommendation to hold a Intergovernmental Conference of member states to consider the proposed amendments to the treaties.

The text

The Charter contains some 54 articles divided into seven titles. The first six titles deal with substantive rights under the headings: dignity, freedoms, equality, solidarity, citizens' rights and justice, while the last title deals with the interpretation and application of the Charter. Much of Charter is based on the European Convention on Human Rights (ECHR), European Social Charter, the case-law of the European Court of Justice and pre-existing provisions of European Union law.

- The first title (**Dignity**) guarantees the right to life and prohibits torture, slavery, the death penalty, eugenic practices and human cloning. Its provisions are mostly based on the ECHR, although Article 1 closely reflects Article 1 of the German Basic Law.
- The second title (**Freedoms**) covers liberty, personal integrity, privacy, protection of personal data, marriage, thought, religion, expression, assembly, education, work, property and asylum.
- The third title (**Equality**) covers equality before the law, prohibition of all discrimination including on basis of disability, age and sexual orientation, cultural, religious and linguistic diversity, the rights of children and the elderly.
- The fourth title (**Solidarity**) covers social and workers' rights including the right to fair working conditions, protection against unjustified dismissal, and access to health care, social and housing assistance.
- The fifth title (**Citizen's Rights**) covers the rights of the EU citizens such as the right to vote in election to the European Parliament and to move freely within the EU. It also includes several administrative rights such as a right to good administration, to access documents and to petition the European Parliament.

- The sixth title (**Justice**) covers justice issues such as the right to an effective remedy, a fair trial, to the presumption of innocence, the principle of legality, non-retrospectivity and double jeopardy.
- The seventh title (**General Provisions**) concerns the interpretation and application of the Charter. These issues are dealt with above.

Raising the Charter's profile

The EU has attempted to raise the profile of the Charter so that citizens are more aware of their rights. For example, the EU Fundamental Rights Agency (FRA) has produced apps for and Android with the text of the Charter in all EU languages and related information. It has also published mini-versions of the Charter in all EU languages.

In 2010, the FRA put out a tender for poets to turn the Charter into an 80-minute long epic poem, with music, dance and multimedia elements. This was also to raise awareness and to simplify the legal text into more understandable language· However, Viviane Reding, the European Commissioner for Justice, Freedom & Security, wrote to the director of the FRA slamming the idea on cost and dignity grounds and instructing him to cancel the project.

3.2 The Objectives of the Union

Article I-3 of the Constitutional Treaty, which covers the internal and external objectives of the Union, merges the provisions of the EU Treaty and those of the EC Treaty. These objectives must guide the Union in the defining and implementation of all its policies.
The main objectives of the Union are now to promote peace, the Union's values and the well-being of its peoples. These general objectives are supplemented by a list of more detailed objectives which include the promotion of:

- an area of freedom, security and justice without internal frontiers ;
- an internal market where competition is free and undistorted;
- sustainable development, based on balanced economic growth and price stability, a highly competitive social market economy, aiming at full employment and social progress, and a high level of protection and improvement of the quality of the environment;
- scientific and technological advancement;
- social inclusion and indiscrimination, and the promotion of social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child;
- economic, social and territorial cohesion, and solidarity among Member States.

In addition to the above, the Union respects cultural and linguistic diversity and ensures that Europe's cultural heritage is safeguarded and enhanced. Furthermore, apart from the objectives in the Union’s Treaties, the Constitution thus adds the promotion of scientific and technological advance, of solidarity between generations and of the protection of children's rights. Economic and social cohesion now additionally acquires a territorial dimension. Cultural and linguistic diversity, and the safeguarding and enhancing of Europe's cultural heritage, also become Union objectives. Paragraph 4 of Article I-3 is devoted to the Union's promotion of its values

and interests in its relations with the rest of the world. This paragraph brings together the objectives from the EU Treaty relating to the common foreign and security policy, and the provisions of the EC Treaty relating to development cooperation, peace, security, sustainable development of the Earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty, protection of human rights (in particular the rights of the child) and development of international law (respect for the principles of the United Nations Charter). The Constitution includes as a new objective the protection of children's rights on the international stage.
Finally, in Part III of the Constitutional Treaty, Articles III-115 to III-122 contain provisions relating to more specific requirements which the Union must fulfill in implementing the Constitution, in particular, equality between men and women, the combating of discrimination, requirements relating to employment and social policy, protection of the environment and consumers and consideration for the specific nature of services of general economic interest.

3.3 The Free Trade Area (FTA)

The creation of the Free Trade Area (FTA) eliminated tariffs, quotas and preferences on goods among member states. Numerous countries have signed a European Union Association Agreement (AA) with FTA provisions. These mainly include Mediterranean countries (Algeria in 2005, Egypt in 2004, Israel in 2000, Jordan in 2002, Lebanon in 2006, Morocco in 2000, Palestinian National Authority in 1997, and Tunisia in 1998), albeit some countries from other trade blocs have also signed one (such as Chile in 2003, Mexico in 2000, and South Africa in 2000). Further, many Balkan states have signed a Stabilization and Association Agreement (SAA) with FTA provisions such as Albania (signed 2006), Croatia (2005), Montenegro (2007), Macedonia (2004), Bosnia and Herzegovina and Serbia (both 2008, entry into force pending). In 2008, Poland and Sweden proposed the Eastern Partnership which would include setting a FTA between the EU and eastern countries such as Armenia, Azerbaijan, Georgia, Moldova and Ukraine.

4.0 Conclusion

In 1951, only a few Western European states agreed to confer powers over their steel and coal production to the European Coal and Steel Community (ECSC) in the Treaty of Paris but after the WW 11 Coal and steel production was essential for the reconstruction of countries in Europe. More of the European Countries came together in 1949 to form the European Economic Community. In addition to the above, the Union respects cultural and linguistic diversity and ensures that Europe's cultural heritage is safeguarded and enhanced. Economic and social cohesion now additionally acquires a territorial dimension.

5.0 Summary

Discussions in this unit largely focused on the history of the formation of the European Economic Community and their early Objectives. It was pointed out how the European Communities were reluctant before WW11 to give up power over their Iron and Steel and coal production to the European Coal and Steel Community (ECSC) in the Treaty of Paris but were much more interested to do so after the WW 11. We also looked at their stated objectives when they eventually came together for in 1949 to form the EEC.

6.0 Tutor-marked assignment

How did the European Union come about and mention at least four of its main objectives.

7.0 References/further reading

Bellassa, B. (1964) "*Theory of Economic Integration* Homewood", Illinois: Richard D. Irwin Inc Deutsch, K. W. (1957) et al. *Political Community and the North Atlantic Area* Princeton University Press: Princeton.

Etzioni, A. (1965) *Political Unification*. New York: Holt Rinchart and Winston.

Haas, E.B. (1964) *Beyond the National State*. Stanford California: Standard University Press.

Hazelwood, A. (1967) "Problems of Integration among African State" In Hazelwood, A. (Eds.) *Africa Integration and Disintegration* London: Oxford University Press.

Kisanga, E. J. (1984) "Regional Cooperation: Challenge for the Continent" *Africa Now*, London.

Lipsey, R.G. (1960) "The Theory of Customs Union: A General Survey". *Economic Journal Vol. 70* Pp 496 – 513

Mytelka, L. (1994) "Regional Cooperation and the New Logic of International Competition" In Mytelka, L. (Ed.) *South-South Cooperation in a Global Perspective* Paris: OECD pp 21-54.

Myelka, L. K. (1979). "Regional Development in a Global Economy" Yale University Press

Vaitos, C. V. (1978) "Crisis in Regional Economic Cooperation (Integration) Among Developing Countries: A survey" World Development.

Viner, J. (1950) *The Custom Union Issues* New York: Carnegie Endowment for International Peace.

UNIT 3 THE EUROPEAN UNION COMPETENCE/RESPONSIBILITIES

CONTENTS

1.0 INTRODUCTION

We have examined the history and objectives of the EU in the previous unit pointing out the year of establishment and the merger that brought about the Union. We went further to identify the objectives and discussed them in details. In this unit, we shall examine the Exclusive and the Supporting competences of the EU and go a long way in identifying its major partnerships and agreements.

2.0 OBJECTIVES

At the end of this unit you should be able to

a. Identify the areas of Exclusive, Supporting and shared Competences in the EU
b. Write small essays on the Charter of Fundamental Rights of the EU and
c. The Schengen zone

3.0 Main Content

3.1 Competence/Responsibility of the EU

Whilst most responsibilities (competences) are retained by the member states, some competences are conferred exclusive on the Union for collective decision, some are shared pending Union action and some receive Union support. These are shown on the tables below:

Table 1 EU Operational Framework.

Exclusive competence	Supporting competence	Shared competence
The Union has exclusive competence to make directives and conclude international agreements when provided for in a Union legislative act. • The customs union • The establishing of the competition rules necessary for the functioning of the internal market • Monetary policy for the Member States whose currency is the euro • The conservation of marine biological resources under the common fisheries policy • Common commercial	Member States cannot exercise competence in areas where the Union has done so. • The internal market • Social policy, for the aspects defined in this Treaty • Economic, social and territorial cohesion • Agriculture and fisheries, excluding the conservation of marine biological resources • Environment • Consumer protection • Transport • Trans-European networks	The Union can carry out actions to support, coordinate or supplement Member States' actions • The protection and improvement of human health • Industry • Culture • Tourism • Education, youth, sport and vocational training • Civil protection (disaster prevention) • Administrative cooperation

The European Customs Union defines an area where no customs are levied on goods travelling within it. It includes all European Union member states. The abolition of internal tariff barriers between EEC member states was achieved in 1968. Andorra and San Marino belong to the EU customs unions with third states. Turkey is linked by the European Union-Turkey Customs Union. A prominent goal of the EU since its creation by the Maastricht Treaty in 1992 is establishing and maintaining a single market. This seeks to guarantee the four basic freedoms, which are related to ensure the free movement of goods, services, capital and people around the EU's internal market.

The European Economic Area (EEA) agreement allows Norway, Iceland and Liechtenstein to participate in the European Single Market without joining the EU. The four basic freedoms apply. However, some restrictions on fisheries and agriculture take place. Switzerland is linked to the European Union by Swiss-EU bilateral agreements, with a different content from that of the EEA agreement.

The Euro zone refers to the European Union member states that have adopted the euro currency union as the third stage of the European Economic and Monetary Union (EMU). Further, certain states outside the EU have adopted the euro as their currency, despite not belonging to the EMU. Thus, a total of 22 states, including 16 European Union states and six non-EU members, currently use the Euro. The Euro-zone came into existence with the official launch of the Euro on 1 January 1999. Physical coins and banknotes were introduced on 1 January 2002. The original members were Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Portugal, and Spain. Greece adopted the euro on 1 January 2001. Slovenia joined on 1 January 2007, Cyprus and Malta were admitted on 1 January 2008, and Slovakia joined 1 January 2009. Outside the EU, agreements have been concluded with Monaco, San Marino, and Vatican City for formal adoption, including the right to mint their own coins. Andorra, Montenegro and Kosovo have also used the euro since its launch.

The European Union first started with economic integration which brought about prosperity among the member states and then moved on to also cooperate with one another in the areas of education, culture, health, politics and a whole lot of other areas as we will see in the following:

Education: The European Region Action Scheme for the Mobility of University Students (ERASMUS) program seeks to encourage and support free movement of the academic community. It was established in 1987. A total of 31 states (including all European Union states, Iceland, Liechtenstein, Norway, and Turkey) are involved. Switzerland is again eligible for membership as from 2007, after a period of absence following the rejection by that country of closer links with the European Union. The European Higher Education Area (EHEA) aims to integrate education systems in Europe. Thus, degrees and study periods are recognized mutually. This is done by following the Bologna process, and under the Lisbon Recognition Convention of the Council of Europe.

The **Bologna declaration** (in full, Joint declaration of the European Ministers of Education convened in Bologna on 19 June 1999 is the main guiding document of the Bologna process. It was adopted by ministers of education of 29 European countries at their meeting in Bologna in 1999. It proposed a European Higher Education Area in which students and graduates could move freely between countries, using prior qualifications in one country as acceptable entry requirements for further study in another.

The principal aims agreed were:

1. "Adoption of a system of easily readable and comparable degrees". That is to say, countries should adopt common terminology and standards
2. "Adoption of a system essentially based on two main cycles, undergraduate and graduate. Access to the second cycle shall require successful completion of first cycle studies, lasting a minimum of three years. The degree awarded after the first cycle shall also be relevant to the European labour market as an appropriate level of qualification. The second cycle should lead to the master and/or doctorate degree as in many European countries."

The Bergen meeting subsequently refined the second point, and produced a three-cycle framework of qualifications, which in the UK terminology (adopted, at least partially, by many European countries) would be Bachelor for a first degree of three years, Master for subsequent study, and Doctor for a degree which has "made a contribution through original research that extends the frontier of knowledge by developing a substantial body of work".

The Bologna declaration has later been followed up a series of meetings between EU ministers. Each meeting has produced a communiqué based on their deliberations. To date these include the Prague communiqué (2001), the Berlin communiqué (2003), the Bergen communiqué (2005), the London communiqué (2007) the Leuven & Louvain-la-Neuve communiqué (2009). European Commission has published (European Communities, Feb. 2009) an "ECTS Users' Guide", including one "Overview of national regulations (...)" and "Status of the proclamation".The Bologna Ministerial Anniversary Conference 2010 in Budapest and Vienna was held in March 2010. It issued the Budapest-Vienna Declaration.The communiqués indicate that progress is being made towards the Bologna Declaration's aim of a European Higher Education Area, however such an area is not universally accepted as being a desirable outcome. According to the Busapest-Vienna declaration, the next Ministerial Meeting was held in Bucharest on 26–27 April 2012

All EU members or candidates at the moment (except Cyprus which joined later) and three out of four EFTA countries: Austria, Belgium, Bulgaria, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain, Sweden, Switzerland and United Kingdom, Croatia, Cyprus, Liechtenstein, and Turkey joined in 2001. In 2003, Albania, Andorra, Bosnia and Herzegovina, the Holy See (a Council of Europe permanent observer), Macedonia, Russia and Serbia signed the convention. Armenia, Azerbaijan, Georgia, Moldova and Ukraine followed in 2005. Finally, Montenegro joined in 2007. This makes a total of 46 member states. Monaco and San Marino are the only members of the Council of Europe which have not adopted the convention. The other two European nations that are eligible to join, but have not, are Belarus and Kazakhstan.

Health: The SOS project, also known as *Smart Open Services,* aims to promote free movement of patients. It will allow health professionals to electronically access the data from patients from other countries, to electronically process prescriptions in all involved countries, or to provide treatment in another EU state to a patient on a waiting list. The project has been launched by 12 EU state including Austria, Czech Republic, Denmark, France, Germany, Greece, Italy, the Netherlands, Slovakia, Spain, Sweden, and the United Kingdom.

The Charter of Fundamental Rights of the European Union is a document enshrining certain fundamental rights. The wording of the document has been agreed at ministerial level and has been incorporated into the Treaty of Lisbon. The Czech Republic, Poland and the United Kingdom have negotiated an opt-out from the Charter. Furthermore, the European integration process has extended the right of foreigners to vote. Thus, European Union citizens were given voting rights in local elections by the 1992 Maastricht Treaty. Several member states (Belgium, Luxembourg, Lithuania, and Slovenia) have extended since then the right to vote to all foreign residents. This was already the case in Denmark, Finland, the Netherlands and Sweden. Further, voting and eligibility rights are granted among citizens of the Nordic Passport Union, and between numerous countries through bilateral treaties (i.e.

between Norway and Spain, or between Portugal and Brazil, Cape Verde, Iceland, Norway, Uruguay, Venezuela, Chile and Argentina), or without them (i.e. United Kingdom and Republic of Ireland). Finally, within the EEA, Iceland and Norway also grant the right to vote to all foreign residents.

There is also the Schengen Zone. The main purpose of the establishment of the Schengen Agreements is the abolition of physical borders among European countries. Total of 29 states, including 25 European Union states (all except Ireland and United Kingdom) and four non-EU members (Iceland, Liechtenstein, Norway and Switzerland), are subject to the Schengen rules. Twenty Six states have already implemented its provisions, leaving just Bulgaria, Cyprus and Romania to do so among signatory's states. Liechtenstein still has to fully implement the rules. Further Monaco, San Marino and Vatican City are de-facto members.

The European Union is not a state and as such does not have its own dedicated military forces. However, there are a number of multi-national military and peace keeping forces which are ultimately under the command of the EU, and therefore can be seen as the core for a future European Union army. These corps includes forces from 25 EU states – all except Denmark, which has an opt-out clause in its accession treaty and is not obliged to participate in the common defense policy; and Malta, which currently does not participate in any battle group – Norway and Turkey. Also, the Western European Union (WEU) capabilities and functions have been transferred to the European Union, under its developing Common Foreign and Security Policy (CFSP) and European Security and Defense Policy (ESDP).

The EU also has close ties with the **North Atlantic Treaty Organization** (NATO), according to the Berlin Plus agreement. This is a comprehensive package of agreements made between NATO and the EU on 16 December 2002. With this agreement the EU is given the possibility to use NATO assets in case it wanted to act independently in an international crisis, on the condition that NATO does not want to act itself – the so-called 'right of first refusal'. In fact, many EU member states are among the 28 NATO members. The Treaty of Brussels is considered the precursor to NATO. The North Atlantic Treaty was signed in Washington, D. C. in 1949. It included the five Treaty of Brussels states, as well as the United States, Canada, Portugal, Italy, Norway, Denmark and Iceland. Greece and Turkey joined the alliance in 1952, and West Germany did the same in 1955. Spain entered in 1982. In 1999, Hungary, the Czech Republic, and Poland became NATO members. Finally, Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovenia and Slovakia joined in 2004. In 2009m Croatia and Albania joined Ukraine and Georgia were told that they will also eventually become members in 2008. The Republic of Macedonia's application process is finished, but it is blocked by Greece. Thus, 21 out of 28 NATO states are among the 27 EU members, another two are members of the EEA, and two more are EU candidates (one of those is member of the EU customs space).

On 22 May, 2007, the member states of the European Union have agreed to create a **Common political framework** for space activities in Europe by unifying the approach of the European Space Agency (ESA) with those of the individual European Union member states. However, ESA is an intergovernmental organization with no formal organic link to the EU; indeed the two institutions have different Member States and are governed by different rules and procedures. ESA was created in 1975 by merging ELDO with ESRO. The 10 founding members were Belgium, Denmark, France, Germany, Italy, the Netherlands, Spain, Sweden, Switzerland and the United Kingdom. The Republic of Ireland joined on 31 December 1975. In 1987, Austria and Norway became member states. Finland joined in 1995, Portugal in 2000, Greece and Luxembourg in 2005, and the Czech Republic in 2008. Thus, currently, it has 18 member states: all the EU member states before 2004, plus Czech Republic, Norway and Switzerland. Further, Canada has had the special status of a Cooperating State under a cooperation agreement since 1979. ESA is likely to expand in the coming years with the countries which joined the EU in both 2004 and 2007. Thus, Estonia, Hungary, Poland, Romania and Slovenia have already signed a European Cooperating State (ECS) Agreement; Cyprus, Latvia and Slovakia have signed Cooperation Agreements with ESA; and finally, Lithuania and Malta have also announced its intention to join ESA.

SELF ASSESSMENT EXCERCISE
What do you understand as the Bologna Declaration and the Schengen zone

3.2 Membership in European Union Agreements

A small group of EU member states have joined all European treaties, instead of opting out on some. They drive the development of a federal model for the European integration. This is linked to the concept of Multi-speed Europe where some countries would create a core union; and goes back to the Inner Six references to the founding member states of the European Communities. At present the formation of a formal Core Europe Federation “A federation within the confederation” had been held off at every occasion that such a federation treaty had been discussed. Instead supranational institutions are created that govern more areas in “Inner Europe” than the existing European integration provides for. Among the 27 EU state members, nine states have signed all integration agreements. These are Belgium, France, Germany, Greece, Italy, Luxembourg, the Netherlands, Portugal, and Spain.

The agreement considered include the fifth stage of economic integration or EMU, the Shengen agreement, the Common Security and Defense Policy, and education initiatives such as the ERASMUS programme or the European Higher Education Area. They are also members of the European Space Agency and the North Atlantic Treaty Organization. Thus, among the 27 EU countries, 16 have joined the Euro-zone, 25 have joined Shengen, and 25 compose the European Military.

Furthermore, some countries which do not belong to the EU have joined several of these initiatives, albeit sometimes at a lower stage such as the Customs Union, the Common Market (EEA), or even adopting unilaterally the euro; by taking part in Shengen, either as a signatory state, or de-facto; or by joining some common military forces. Thus, six non-EU countries have adopted the euro unilaterally, three the Shengen agreement officially and another three ones as de-facto, and other countries have joined common military corps. Some territories of EFTA member states also have a special status in regard to EU laws applied as is the case with some European microstates. For member states that do not have special status territories the EU law applied as is the case with some European microstates. For member states that do not have special status territories the EU law applies fully with the exception of the opt-outs in the European Union.

SELF ASSESSMENT EXCERCISE
What is the ERASMUS programme of the EU?

3.3 Euro-Mediterranean Partnership

The Euro-Mediterranean Partnership or Barcelona Process was organized by the European Union to strengthen its relations with the countries in the Mashriq and Maghreb regions. It started in 1995 with the Barcelona Euro-Mediterranean Conference, and it has been developed in successive annual meetings. The European Union enlargement of 2004 brought two more Mediterranean countries (Cyrus and Malta) into the Union, while adding a total of 10 to the number of Member States. The Euro-Mediterranean Partnership today comprises 43 members: 27 European Union member states, and 16 partner countries (Albania, Algeria, Bosnia and Herzegovina, Croatia, Egypt, Israel, Jordan, Lebanon, Libya, Mauritania, Monaco, Montenegro, Morocco, Syria and Tunisia as well as the Palestinian Territories). Libya has had observer status since 1999.

The Euro-Mediterranean Free Trade Area (EU-MEFTA) is based on the Barcelona Process and European Neighborhood Policy (ENP). It will cover the EU, the EFTA, the EU customs unions with third states (Turkey, Andorra, San Marino), the EU candidate states, and the partners of the Barcelona Process. There is no fixed end result of the process of integration. Integration and enlargement of the European Union are major issues in the politics of Europe, both at European, national and local level. Integration may conflict with national sovereignty and cultural identity, and is opposed by Euro skeptics.

4.0 Conclusion

A small group of EU member states have joined all European treaties, instead of opting out on some. They drive the development of a federal model for the European integration. This is linked to the concept of Multi-speed Europe where some countries would create a core union; and goes back to the Inner Six references to the founding member states of the European Communities. There is no fixed end result of the process of integration. Integration and enlargement of the European Union are major issues in the politics of Europe, both at European, national and local level.

5.0 Summary

Discussions in this unit have focused on the Institutions of the EU, their membership, functions and when they were established. Thus, among the EU countries, some have joined the Euro-zone, some have joined Shengen, and some compose the European Military. Thus Integration may conflict with national sovereignty and cultural identity, and is opposed by Euro skeptics.

6.0 Tutor-marked assignment

Mention the members of the Euro-Mediterranean Partnership and discuss the significance of the partnership.

7.0 References/further reading

Bellassa, B. (1964) "*Theory of Economic Integration* Homewood", Illinois: Richard D. Irwin Inc Deutsch, K. W. (1957) et al. *Political Community and the North Atlantic Area* Princeton University Press: Princeton.

Etzioni, A. (1965) *Political Unification*. New York: Holt Rinchart and Winston.

Haas, E.B. (1964) *Beyond the National State*. Stanford California: Standard University Press.

Hazelwood, A. (1967) "Problems of Integration among African State" In Hazelwood, A. (Eds.) *Africa Integration and Disintegration* London: Oxford University Press.

Kisanga, E. J. (1984) "Regional Cooperation: Challenge for the Continent" *Africa Now*, London.

Lipsey, R.G. (1960) "The Theory of Customs Union: A General Survey". *Economic Journal Vol. 70* Pp 496 – 513

Machlup, F. (1976) "A History of Thought on Economic Integration" In Machlup

(Eds) *Economic Integration World Wide" Regional, Sectoral* London: Macmillan Press.

Military, D. (1965) "The prospects of Integration: Federal or functional", Journal of Common Market Studies, Vol.4.

Mytelka, L. (1994) "Regional Cooperation and the New Logic of International Competition" In Mytelka, L. (Ed.) *South-South Cooperation in a Global Perspective* Paris: OECD pp 21-54.

Myelka, L. K. (1979). "Regional Development in a Global Economy" Yale University Press

Vaitos, C. V. (1978) "Crisis in Regional Economic Cooperation (Integration) Among Developing Countries: A survey" World Development.

Viner, J. (1950) *The Custom Union Issues* New York: Carnegie Endowment for International Peace.

UNIT 4 THE STATE OF THE EUROPEAN UNION

CONTENTS

1.0 INTRODUCTION

In the last unit, we examined the Exclusive, Supporting and Shared competences in the EU pointing out their various responsibilities. In this unit, we are going to examine present state of the EU, Constitutionalism and Alternative regional integration being considered by different member states.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

a. Discuss the challenges that are facing the EU currently
b. Explain what Constitutionalism means in the EU
c. Point out if any the Alternative regional integration in Europe.

3.0 Main Content

3.1 The State of the Union

Compared with most other regions of the world, the EU is a haven of peace, prosperity, and security. Following the global economic crisis, however, there are several major challenges facing the EU that, if not tackled with urgency and determination, could threaten the entire European project. Namely, the EU has grown and integrated rapidly without commensurate strengthening of its political and economic institutions. The emerging gap between necessary coordination and institutional capacity in the EU suggests a lesson for other regional groupings if and when they arrive at later stages of the integration process.

The first challenge is increased fiscal coordination amid a worsening economic outlook. The EU needs to cleanse the financial system and follow through on austerity measures introduced by almost all member states. The situation in late summer 2010 is less critical than it appeared in the spring, when many doomsayers were predicting the collapse of the euro and even suggesting the EU might break up. The major risk today is the continuing fragility of the economies of some euro zone member states such as Greece, Spain, and Portugal, and the possibility of renewed speculation in the financial markets. Although there are some positive signs of economic recovery in Europe, many economists continue to warn of a possible "double dip" recession and the likely impact of the ongoing problems of many European banks. While most passed the "stress tests" at the end of July 2010, there was broad agreement that these tests were not as strenuous as they could have been.

The economic troubles of the past few years come amid major, secular shifts of wealth toward Asia. The EU's share of global GDP declined from 24 percent to 22 percent between 1990 and 2010. In addition to sluggish economic growth compared to emerging markets like Brazil, Russia, India, and China, the EU is losing competitiveness. The European labour force is aging and increasingly prefers leisure to work. There are insufficient resources devoted to innovation. The Lisbon Strategy that sought to make the EU the most competitive region in the world by 2010 was a conspicuous failure. The latest 2020 plan, with its similarly lofty ambitions, is likely to fare no better. Rising energy and commodity prices have a negative impact on growth in Europe. Going forward, it is difficult to see how Europe, with its largely immobile and aging population, can compete with the labour markets of Asia, which are unburdened by health or unemployment costs. The Asian development model not only poses challenges to the Anglo-Saxon capitalist model but also to the creation of a reformed, rules-based system of global governance. Few Asian nations are willing to accept EU and U.S. pressure on social, labour, and environmental issues, arguing that they would be disadvantaged at a critical stage in their development.

The response of Europe to these troubling circumstances should be obvious: the euro zone will be safe only when discipline is matched by solidarity between the member states of the zone, a very serious challenge for the balance between Germany and the other euro zone countries. A single European voice is needed in all forums of global economic governance, including discussions on climate change and energy security. But this will not be easy to achieve given the continuing attachment most EU member states have to their own seats or shared constituencies in the international financial institutions. The Copenhagen climate change conference in December 2009 also revealed the EU's weakness as an international actor. Though it reached a consensus and promoted climate change to the top of the global agenda, the EU was unable to assert itself at the most critical juncture.

The second challenge is resolving the EU's long-standing identity crisis. Member states have never been able to agree on the *finalité politique*, making the European experiment a journey to an unknown destination. Academics have described the debate as one between widening and deepening. On the one hand, the EU has progressed from a customs union to a single market and a euro zone of currently sixteen (soon seventeen) countries; on the other hand, it has gradually extended its membership from six to twenty-seven countries—with more to join—covering almost the whole continent. The EU, however, has proved unable to strengthen its political institutions at a pace and with a depth consistent with the needs of its integration, as well as the number and heterogeneity of its membership. Faced with widespread public skepticism about the EU, European capitals remain attached to national sovereignty and reluctant to give great powers to Brussels. Furthermore, France and Germany remain divided on the issue of economic governance, and questions linger over the EU's final eastern borders.

Many hoped that the Lisbon Treaty would provide the impetus for a further deepening of the EU, but the long struggle to achieve ratification of the treaty and the shattering impact of the financial crisis has revealed little appetite for further institutional changes. As noted above, there is little public appetite for "more Europe," and national politicians seem increasingly reluctant to make the case for a strong EU. Germany is the most noticeable example—previously the strongest champion of closer integration, it has moved into the skeptic camp mainly due to public doubts about the euro, reflected also in judgments of the supreme court. There are, however, some experts and politicians, such as Nicolas Sarkozy, president of France, and Guy Verhofstad, the former Belgian prime minister and current leader of the Liberals in the European Parliament, who argue that the best response to the crisis is indeed a radical step forward toward a form of economic governance in Europe. They believe that the EU is severely handicapped by the euro zone's weak central institutions and the insufficient regulation of its financial and energy markets. Unfortunately, Sarkozy and Verhofstad's recommendations have met with a lukewarm response from Germany and other member states.

SELF ASSESSMETN EXERCISE
What are the various challenges facing the European Union?

3.2 Constitutionalism and Regional Integration in Europe
The philosophy of constitutionalism dates back to the natural law doctrines of the Greek stoics, the medieval church, and the Magna Carta forced on King John of England in 1215. It gained momentum during the 17th century English revolution culminating in the *Bill of Rights* (1689) and the *Act of Settlement* (1701), and was strengthened by the American revolution (1776), the French revolution (1789), and the 1848 revolutions in Europe. In terms of political practice, there were hints of restraints on governments and an emerging sense of constitutionalism in Western Europe from the 16th century on. Niccolo Machiavelli's picture of political Europe was a land of kings "surrounded by a large number of ancient nobles . . . (who) have their prerogatives of which the king cannot deprive them without danger to himself" (Machiavelli 1940, pp. 15–16). In his biography of Louis XIV of France, Voltaire (1926, p. 5) said of Europe:

> Already for a long time one could regard Christian Europe (except Russia) as a sort of great *republic* divided into several states,. some monarchical, others of a mixed character; the former aristocratic, the latter popular, but all . . . possessing the same *principles of public and political law* unknown in other parts of the world.
>
> The same note of an evolving constitutionalist order was sounded by Edmund Burke (1846, p. 119), the 18th century English statesman, in his *Reflections on the Revolution in France.*

The 19th century witnessed remarkable development in constitutionalism in Western Europe. Many countries — Belgium, the Netherlands, the Scandinavian countries, several German kingdoms, Switzerland, Spain, Austria-Hungary, and Italy fashioned constitutions similar to that of Britain or the United States of America (Friedrich 1968, p.323). Constitutionalism thus became the battle cry of progressive forces and broadly based popular movements. In the spirit of the age, many European monarchs protected their positions after the 1848 revolutions by "granting constitutions" to their people. Despite their imperfections, such constitutions were checks on arbitrary rule and, to that extent, positive developments in constitutionalism (Friedrich 1968, p. 324).

The egalitarian character of constitutionalism in Europe — the idea that all men should have equal political and social rights — has been a product of social and economic change in the 20th century. This century has witnessed the emergence of universal suffrage, representative government and the rule of law, the development of universal education, the enhancement of the status of the common man before the law, and the enactment of welfare measures of various kinds (Dahrendorf 1964, p. 229). From the late 19th century on, the institutional autonomy of the legal system was increasingly asserted, the authority of the law applying over that of the state itself. This more liberal perspective on the relationship between law and society in Western Europe was a major step in encouraging meaningful social and political participation. In spite of remaining social differences in many societies, and of national and regional differences, it is fair to say that Western European societies have made tremendous progress in achieving the goal of basic equality of all citizens in the 20th century (Dahrendorf 1964, p. 230). The rights of citizens have been further buttressed by the unprecedented economic growth in Western Europe since the end of the Second World War. The resulting higher incomes of people have enhanced their independence of outlook as citizens, and, with shorter working hours. This stands in remarkable contrast to the "socialist legality" of the Soviet Union and other socialist countries of Eastern Europe where the legal system was essentially an instrument of state power to give "universal and generally mandatory significance" to the economic, political, and organizational measures carried out in the socialist transformation of society (Alexyev 1990, pp. 12–13). Individuals had rights, but such rights could not override the interests of the state. More people have been able to participate effectively in the political process.

Ralf Dahrendorf (1964, pp. 232–236) noted four trends in the evolving structure of power in contemporary Europe:

- the institutionalization of political power, with the establishment of limits on the range of discretion of those who govern;
- the establishment of mechanisms to control the exercise of power — these include legislative bodies, periodic elections, a free press, an independent judiciary, and the force of law;
- the separation of roles in the legislation, enforcement, and execution of the law; and
- the growing autonomy of institutions — political parties, economic organizations, churches, professional groupings, women's organizations, trade unions, and the like — all exercising an influence on decision-making processes.

Another trend has been the emergence of what Peter Drucker (1989, ch. 7) has called the "new pluralisms." Since the late 19th century, single-purpose institutions have developed in Western Europe, each with its own mission and considerable autonomy: modern business corporations, the civil service, universities, the professions, and the like. Each of these institutions "perceives its own purpose as central, as an ultimate value, and as the one thing that really matters" (Drucker 1989, p. 84); each has its own language, its own career ladder, and, above all, its own values. Sometimes transcending international boundaries, the new pluralist institutions are veritable power centres, offering citizens the prospects of self-fulfillment even within their limited confines. No longer does "salvation" lie exclusively with the state. These various trends have conditioned the character of constitutionalism in Europe, by diffusing political power to the point that its real location may sometimes be difficult to determine.

Recent Regional Integration

Regional integration in Europe was consolidated in the Treaty on the European Union (the Maastricht Treaty), which came into force in November 1993 and established the European Union. The European Free Trade Association is a free trade bloc of four countries (Iceland, Liechtenstein, Switzerland and Norway) which operates in parallel - and linked into - the European Union. In January 1994, the North American Free Trade Agreement was formed when Mexico acceded to a prior-existing bilateral free trade agreement between the US and Canada. In The Pacific there was the ASEAN Free Trade Area (AFTA) in 1993 which looked into reducing the tariffs. The AFTA started in full swing in 2000.

SELF ASSESSMENT EXCERCISE

In what country is the headquarters of the EU?

3.3 Alternative Regional Integration

In the last decade regional integration has accelerated and deepened around the world, in Latin America and North America, Europe, Africa, and Asia, with the formation of new alliances and trading blocks. However, critics of the forms this integration have consistently pointed out that the forms of regional integration promoted have often been neoliberal in character, in line with the motives and values of the World Trade Organization, the International Monetary Fund and the World Bank - promoting financial deregulation, the removal of barriers to capital and global corporations, their owners and investors; focusing on industrialisation, boosting global trade volumes and increasing GDP. This has been accompanied by a stark increase in global inequality, growing environmental problems as a result of industrial development, the displacement of formerly rural communities, ever-expanding urban slums, rising unemployment and the dismantling of social and environmental protections. Global financial deregulation has also contributed to the increasing frequency and severity of economic crises, while Governments have increasingly lost the sovereignty to take action to protect and foster weakened economies, as they are held to the rules of free trade implemented by the WTO and IMF.

Advocates of alternative regional integration argue strongly that the solutions to global crises (financial, economic, environmental, climate, energy, health, food, social, etc.) must involve regional solutions and regional integration, since they transcend national borders and territories, and require the cooperation of different peoples across geography. However, they propose alternatives to the dominant forms of neoliberal integration, which attends primarily to the needs of transnational corporations and investors. Renowned economist, Harvard professor, former senior vice president and chief economist of the World Bank, Joseph Stiglitz has also argued strongly against neoliberal globalisation (see Neoliberalism). Stiglitz argues that the deregulation, free trade, and social spending cuts or austerity policies of neoliberal economics have actually created and worsened global crises. In his 2002 book Globalization and Its Discontents he explains how the industrialized economies of the US, Europe, Japan, South Korea and Taiwan developed not with the neoliberal policies promoted in developing countries and the global South by the WTO, IMF and World Bank, but rather with a careful mix of protection, regulation, social support and intervention from national governments in the market.

The People's Agenda for Alternative Regionalisms

The People's Agenda for Alternative Regionalisms is a network of civil society, social movement and community-based organisations from around the world, calling for alternative forms of regional integration. PAAR strives to "promote cross-fertilisation of experiences on regional alternatives among social movements and civil society organisations from Asia, Africa, South America and Europe." Further it aims to contribute to the understanding of alternative regional integration as a key strategy to struggle against neoliberal globalisation and to broaden the base among key social actors for political debate and action around regional integration" and is thus committed to expanding and deepening global democracy. PAAR aims to "build trans-regional processes to develop the concept of "people's integration", articulate the development of new analyses and insights on key regional issues, expose the problems of neoliberal regional integration and the limits of the export-led integration model, share and develop joint tactics and strategies for critical engagement with regional integration processes as well as the development of people's alternatives." It draws on and extends the work of such, Southern African People's Solidarity Network- SAPSN (Southern Africa).

The PAAR initiative aims to develop these networks and support their efforts to reclaim democracy in the regions, recreate processes of regional integration and advance people-centred regional alternatives. In the video Global Crises, Regional Solutions the network argues that regional integration and cooperation is essential for tackling the many dimensions of the current global crises and that no country can face these crises alone. The video also calls for countries to break their dependency on the global markets, as well as the dominant development model that has failed to address increasing global hunger, poverty and environmental destruction, resulting instead in greater inequality and social unrest. Regional integration, the video argues, should be much more than macro-economic cooperation between states and corporations; it should protect shared ecological resources and should promote human development - health, wellbeing and democracy - as the base of economic development.

4.0 Conclusion

The EU has proved unable to strengthen its political institutions at a pace and with a depth consistent with the needs of its integration, as well as the number and heterogeneity of its membership. Therefore, the People's Agenda on Alternative Regionalism (PAAR) strives to "promote cross-fertilisation of experiences on regional alternatives among social movements and civil society organisations from Asia, Africa, South America and Europe."

5.0 Summary

We have examined the challenges facing the EU and identified some of them as Political, economic and social. We also examined the philosophy of constitutionalism which dates back to the natural law doctrines of the Greek stoics, the medieval church, and the Magna Carta forced on King John of England in 1215. We pointed out that it gained momentum during the 17th century English revolution culminating in the *Bill of Rights* (1689) and the *Act of Settlement* (1701), and was strengthened by the

American revolution (1776), the French revolution (1789), and the 1848 revolutions in Europe. We finally looked at the Alternative regional integration being advocated by scholars in Europe.

6.0 Tutor-Marked Assignment

Critically examine Constitutionalism and Regional Integration in Europe.
Outline the essentials of the

7.0 References/Further Reading

REFERENCES

Alexyev, S. 1990. Socialism and law. Progress Publishers, Moscow, Russia.

Aziz, A. 1993. A European view of the opportunities and prospects for regional integration in Africa. Presented at the International conference on regional integration in West Africa, 11–15 January, Dakar. Economic Commission for Africa, Addis Ababa, Ethiopia. Document E/ECA/CM.17/2.

Drucker, P.F. 1989. The new realities. Harper & Row, New York, NY, USA. EEC (European Economic Community). 1979. The second enlargement of the community. EEC, Brussels, Belgium. Periodical 5(79). 1982. The institutions of the European community. EEC, Brussels, Belgium. European File E, 6(82).

Elias, T.O. 1963. The Nigerian legal system. Routledge & Kegan Paul, London, UK.

Friedrich, C.J. 1968. Constitutions and Constitutionalism. *In* Sills, D.I. (ed.). International encyclopaedia of the social sciences (vol. 3). The Free Press, New York, NY, USA. Pp. 318–325.

Hartley, T.C. 1986. Federalism, courts and the legal systems: the emerging constitution of the European community. American Journal of Comparative Law, 34(2), 229–247.

Hencken, H.L. (ed.). 1952. A new dictionary of quotations. Alfred A. Knopf, New York, NY, USA.

Hurwitz, L.; Lesquesne, C. (ed.). 1991. The state of the European community. Lynne Rienner Publishers, Boulder, CO, USA.

Jackson, R.H.; Rosberg, C.G. 1982. Personal rule in Black Africa. University of Berkeley Press, Berkeley, CA, USA.

Kiralfy, A.R. 1958. Potter’s historical introduction to English law and its institutions (4th ed.). Sweet and Maxwell, London, UK.

Legum, C. (ed.). 1970–71, 1972–73, 1974–75, 1975–76. Africa contemporary record. Rex Collings, London, UK.

Machiavelli, N. 1940. The prince and the discourses. The Modern Library, New York, NY, USA.

Nwabueze, B.A. 1973. Constitutionalism in the emergent states C. Hurst, London, UK. Pp. 1–21.

Voltaire 1926. The age of Louis XIV (translated by M.P. Pollack). Dent, London, UK.

Welch, C.E. Jr. 1990. Human rights in francophone West Africa. *In* Naim, A.A.; Deng, F.M. (ed.). Human rights in Africa. Brookings Institute, Washington, DC, USA

MODULE 2: REGIONAL INTEGRATION IN ASIA

INTRODUCTION

Module 1 provides the definition, concepts and theories of regional integration which are very crucial to the understanding of the course. It also went further to introduce to us the historical background and the formation of the European Union delving deeply into its institutions, competences and responsibilities. Module 2 is made up of four units which focus on regional integration in Asia, Latin America and the Maghreb.

UNIT 1 ASSOCIATION OF SOUTH EAST ASIA NATIONS

CONTENTS

1.0 INTRODUCTION

In this unit, we shall introduce the Association of South East Asia Nations known as ASEAN and will examine its search for peace in the region using economic integration. We shall also examine the ASEAN regional forum to find out how the ASEAN communities have made progress since inception.

2.0 OBJECTIVES

At the end of this unit, you will be able to:

a. Provide a historical evolution of the ASEAN
b. Name the Institutional Structures of ASEAN
c. Discuss the general progress of the ASEAN communities

3.0 Main Content

3.1 ASEAN: The Search for Peace, Development and Good Neighbourliness

The Association of Southeast Asian Nations (ASEAN) was founded by Indonesia, Malaysia, Philippines, Singapore and Thailand with the ASEAN Declaration (also called Bangkok Declaration) in 1967. The background to ASEAN's creation was Indonesia's relinquishment of its policy of 'konfrontasi' with Malaysia, an undeclared war in rejection of Malaysia's claim to independent statehood. This turning point in Indonesia's foreign policy was motivated by the change of leadership from President Sukarno to President Suharto, precipitated by the failed communist coup in Indonesia of September 1965 and the ensuing anti-communist purge. The adoption of the Bangkok Declaration signified Indonesia's acceptance of the existence of Malaysia as an independent state and the willingness of countries in the region to conduct friendly relations, resolve their disputes peacefully, and to refrain from interfering in each others' internal conflicts. The text of the ASEAN Declaration establishes as one of the aims and purposes of the organisation: "To promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries of the region and adherence to the principles of the United Nations Charter" (ASEAN Declaration, 1967).

Member states announced their readiness to promote collaboration on matters of common interest in a broad variety of fields, economic, social, cultural, technical, scientific and administrative, with the aim of accelerating economic growth, social progress and cultural development in the region. The creation of ASEAN on the basis of the principles of strict respect for national sovereignty and non-interference in internal affairs follows diverse if closely intertwined rationales. Firstly, it reflects the acceptance by all members of each others' existence and right to statehood (particularly against the background of Indonesia's abandonment of military operations against Malaysia), to be replaced by the establishment of friendly relations and consolidated through the development of co-operative links through ASEAN. Secondly, fearful of a possible communist take-over, not least through the ideological penetration of the widespread ethnic Chinese minority communities in Southeast Asia, leaders established ASEAN as a de-facto anti-communist 'alliance' designed to protect their market economy systems. Finally and closely linked to the above, the principle of non-interference in internal affairs was meant to avoid scenarios similar to that witnessed in neighbouring Indochina: protracted internal insurgencies that would invite intervention by alien powers guided by the logic of the ideological confrontation that characterised the Cold War. The attachment to the principles of non-intervention and respect for sovereignty must be understood in the context of the national independence from foreign rule attained by most Southeast Asian countries in the period from 1946 (Philippines) to 1965 (Singapore), in which context the emphasis on state sovereignty was part and parcel of the new governments' efforts at nation-building.

The attachment to the principles of respect for sovereignty and non-interference in internal affairs determined the institutional structure and modus operandi of ASEAN and has remained almost intact to our days. While some of its original rationales such as the socialist threat have disappeared, the persistence of others such as separatist movements or the fear of influence by regional powers has provided a continued political rationale for its permanence. While the organisation has been criticised for its perceived inefficacy, it is considered to have been successful in preserving peace in Southeast Asia in the absence of any mutual defence agreement or participation in any collective security arrangement other than the United Nations. This is particularly remarkable in view of the diversity of security policies of its members. Indonesia was one of the leaders of the Non-Aligned Movement during the cold war. By contrast, others concluded bilateral defence agreements with the US, such as Philippines, Singapore and Thailand. In addition, the so-called "Five Powers Defence Arrangement" of 1971 formalised collective defence links between Malaysia, Singapore, Australia, New Zealand and the UK. Bilateral security ties also exist between Brunei and the UK.

SELF ASSESSMENT EXERCISE
What was the first immediate impact of ASEAN after its creation in 1967? In what areas did members seek collaboration among each other?

3.2 ASEAN Charter

Signed	20 November 2007
Location	Singapore
Effective	December 2008
Condition	ratification by all states

Signatories	10
Parties	10 (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam)
Depositary	Secretary-general of ASEAN
Language	English

The **ASEAN Charter** is a constituent instrument of the Association of Southeast Asian Nations (ASEAN). It was adopted at the 13th ASEAN Summit in November 2007.

The intention to draft the Charter had been formally proposed at the 11th ASEAN Summit held in December 2005 in Kuala Lumpur, Malaysia. Ten ASEAN leaders, one from each member state, called the ASEAN Eminent Persons Group (EPG) were assigned to produce recommendations for the drafting of the charter.

At the 12th ASEAN Summit held in January 2007 in Cebu, the Philippines, several basic proposals were made public. ASEAN leaders agreed during the summit to set up a "high level task force on the drafting of the ASEAN Charter" composed of ten high level government officials from the ten member countries. The task force then held 13 meetings during 2007.

The Charter

Principles set out in the charter include:

- Emphasis on the centrality of ASEAN in regional co-operation.
- Respect for the principles of territorial integrity, sovereignty, non-interference and national identities of ASEAN members.
- Promoting regional peace and identity, peaceful settlements of disputes through dialogue and consultation, and the renunciation of aggression.
- Upholding international law with respect to human rights, social justice and multilateral trade.
- Encouraging regional integration of trade.
- Appointment of a secretary-general and permanent representatives of ASEAN.
- Establishment of a human rights body and an unresolved dispute mechanism, to be formalized at ASEAN Summits.
- Development of friendly external relations and a position with the UN (like the EU)
- Increasing the number of ASEAN summits to twice a year and the ability to convene for emergency situations.
- Reiterating the use of the ASEAN flag, anthem, emblem, and national ASEAN day on 8 August.

Member State	Government Ratification	Deposit of Instrument of Ratification	Signed by
Singapore	18 Dec 2007	7 Jan 2008	Prime Minister
Brunei	31 Jan 2008	15 Feb 2008	Sultan
Laos	14 Feb 2008	20 Feb 2008	Prime Minister
Malaysia	14 Feb 2008	20 Feb 2008	Foreign Minister
Vietnam	14 Mar 2008	19 Mar 2008	Minister of Foreign Affairs
Cambodia	25 Feb 2008	18 Apr 2008	National Assembly
Myanmar	21 Jul 2008	21 Jul 2008	Foreign Minister
Philippines	7 Oct 2008	12 Nov 2008	Senate
Indonesia	21 Oct 2008	13 Nov 2008	The People's Consultative Assembly of the Republic of Indonesia (Majelis Permusyawaratan Rakyat Republik Indonesia, MPR-RI)
Thailand	16 Sep 2008	14 Nov 2008	Parliament

Enactment

The charter came into force in December 2008, thirty days after Thailand's delivery of the final instrument of ratification. Thailand's permanent representative to the United Nations, Ambassador Don Pramudwinai deposited the document with ASEAN Secretary-General, Surin Pitsuwan, at the Thai mission in New York on 14 November. He issued a statement saying, "This is certainly an occasion to celebrate for the 570 million people of ASEAN. This means that when the ASEAN leaders gather at their annual summit in mid December, the ASEAN Charter will have come into force." He was referring to the charter coming into force after the 14th Summit in Chiang Mai, Thailand, from 13–18 December. In doing so he added that celebrations would follow not only for the full ratification of the charter but also the entering into force of the new basic law of ASEAN, "It will be a rules-based and people-oriented organisation with its own legal personality".

Launch

On 15 December 2008, the members of ASEAN met in the Indonesian capital of Jakarta to launch the charter, signed in November 2007, with the aim of moving closer to "an EU-style community". The charter turned ASEAN into a legal entity and aimed to create a single free-trade area for the region encompassing 600 million people. Indonesian President Susilo Bambang Yudhoyono stated: "This is a momentous development...ASEAN is...transforming itself into a community. It is achieved while ASEAN seeks a more vigorous role in Asian and global affairs at a time when the international system is experiencing a seismic shift", he added, referring to climate change and economic upheaval. Southeast Asia is no longer the bitterly divided, war-torn region it was in the 1960s and 1970s".

The ongoing global financial crisis was identified as a threat to the goals envisioned by the charter. The most controversial part of the charter was the proposed human rights body, details of which were to be hammered out at the summit in February 2009. The body would not have the power to impose sanctions or punish countries that violate citizens' rights and would therefore be limited in effectiveness.

Institutional structure in ASEAN

The basis for the creation of the organisation was not a legally-binding treaty but a two-page political declaration. The institutional structure foreseen in the original document was extremely thin: it established an annual meeting of foreign ministers, a standing committee composed of ambassadors of the other member countries and committees on specific subjects. The rejection of formalisation and institutionalisation was such that no central secretariat was foreseen; instead, national secretariats to service the above formations would be established. Illustratively, due to the absence of a general secretariat, files had to be shipped from one ASEAN member to another every year, depending on who was holding the chairmanship, which rotates in alphabetical order. The decision-making procedure was strictly intergovernmental, based on consensus and consultation, known as the 'ASEAN way'. No mechanisms for enforcement or sanctions in the event of non-compliance were foreseen. The 'ASEAN way' emphasises informal diplomacy and restraint of public criticism on policies of other member states. When member states are unable to reach agreement, decisions are simply deferred. The consensual decision-making process, coupled with the lack of sanctions in case of non-compliance, have been made responsible for the perceived inefficacy of the organisation to implement agreed decisions, leading to criticism in academic circles.

The process of formalisation and institutionalisation has been gradual, slow and remains limited. A first step towards formalisation was undertaken in 1976, when the Treaty of Amity and Co-operation (TAC) was signed. This legally-binding document enshrined ASEAN members' attachment for national sovereignty and established the principle of non-intervention. Also, a secretariat was founded in Jakarta to support ASEAN's activities. Subsequently, ASEAN expanded its membership, first admitting Brunei (1985), and following the end of the Cold War, Vietnam (1995), Myanmar and Laos (1997) and Cambodia (1999). Here, a parallel can be drawn between ASEAN and EU evolution after the end of the Cold War. In that, both organisations embraced the membership of neighbouring countries with comparatively less developed economies in favour of regional inclusiveness, but without relinquishing their integration projects. Thus, membership was used as a tool for socialisation of states which had previously been under Soviet influence into the practice of regional co-operation.

The breakthrough in terms of institutionalization came about with the signing of the ASEAN Charter in 2007, which entered into force in 2009. Some of the main innovations invite comparisons with the arrangements present in the EU. These include the establishment of an ASEAN Summit comprising head of state and government as the supreme decision making body, and strengthens the powers of the ASEAN Secretary General, including monitoring member states' compliance with ASEAN decisions (ASEAN Charter, 2008, p.25). It also foresees the creation of three distinct Communities governed by different Councils: the politico-security community, the socio- cultural community and the economic community. A Committee of Permanent Representatives at the rank of Ambassadors, analogous to

COREPER, supports the Community Councils and liaises with the national secretariats and sectoral ministerial bodies.

A departure from the earlier practice can also be detected at the level of objectives, again echoing the EU's experience; namely the Charter envisages the creation of, "a single market and production base...in which there is free flow of goods, services and investment, facilitated movement of business persons, professionals, talent and labour, and freer flow of capital" (ASEAN Charter, 2008, p.4). It also embraces a number of security objectives "to preserve Southeast Asia as a Nuclear Weapons Free- Zone and also free of all other weapons of mass destruction", as well as "to respond effectively, in accordance to the principle of comprehensive security, to all forms of threats, transnational crimes and trans-boundary challenges" (ASEAN Charter, 2008, pp.3-4). However, the most notable departure from past practice is the inclusion of democracy and human rights objectives:

> To strengthen democracy, enhance good governance and the rule of law, and to protect and promote human rights and fundamental freedoms, with due regard to the rights and responsibilities of the member states (ASEAN Charter, 2008, p.4).

This constitutes a breakthrough given that the same set of countries had challenged the universality of human rights with the notion of 'Asian values' only some fifteen years earlier. However, the reference to the "rights and responsibilities of the member states" suggests a tension between this notion and the cherished concept of national sovereignty. The reaffirmation of this principle permeates the document, which enshrines the principle of "abstention in any policy or activity...which threatens the sovereignty, territorial integrity or political and economic stability of ASEAN member states" (ASEAN Charter, 2008, p.7). Notwithstanding the notable innovations listed above, the Charter maintains key traditional features of the organisation; it lacks a dispute settlement mechanism – whenever agreement is not reached by one of the Councils, the question is elevated to the ASEAN Summit -, decision-making continues to be consensual (the 'ASEAN way'), its decisions lack legal, let alone supranational character, and the only parliamentary role is embodied in the limited input of the ASEAN Inter-Parliamentary Assembly.

ASEAN's selective adoption and adjustment of elements of European integration has been explained with the help of the notion of 'normative emulation'. Because the EU is regarded as the epitome of successful regional integration, it was an attractive source of emulation for ASEAN. Rather than being driven by functional demands, the benefits which ASEAN attempted to reap from emulation was international recognition. ASEAN's image on the international stage was tarnished as a result of the Asian financial crisis; against this background, the ASEAN Charter was developed to provide ASEAN with enhanced external recognition and legitimacy, a need which became more acute as China and India were fast becoming more attractive destinations for foreign investors.

SELF ASSESSMENT EXERCISE
Explain in detail 'the ASEAN way'

3.3 POLICIES: Progress with the ASEAN Communities
The adoption of the Charter has been accompanied by a major expansion of the areas subject to ASEAN sectoral co-operation. The following section reviews progress made on selected prominent areas in each of the three communities: human rights in the socio-cultural community, defence and security co- operation in the politico-security community and economic integration in the economic community.

The Socio-cultural Community - human rights The ASEAN Charter foresees the creation of a human rights body; however, it only stipulates that it "shall operate in accordance with the terms of reference to be determined by the ASEAN Foreign Ministers Meeting" (ASEAN Charter, 2008, p.19). Thus, following a practice that is not uncommon in international agreements, the treaty envisages the creation of the entity without any specifics, effectively deferring its configuration to a later date. A noteworthy development within this field has been the establishment of co-operation between national human rights commissions of the four member states more interested in the improvement of human rights standards in the region, namely Philippines, Indonesia, Thailand and Malaysia. This collaboration has emanated from a sense of frustration with the limited progress made in the context of the Inter-governmental Commission. The four national commissions, which are recognised internationally as independent, issued a declaration of co-operation formalising their contacts and pledging to carry out joint programmes and activities. This initiative taken by a small group of member states coupled with a provision welcoming co-operation with like-minded entities, governmental or not, is reminiscent of the EU's figure of enhanced co-operation, despite the fact that no provision to that effect has been contemplated in ASEAN.

The Politico-Security Community In the politico-security sphere, the only defence body is the ASEAN Defence Ministers meeting, created in 2006. Rather than co-ordinating security policies or framing joint initiatives, the meeting serves as a forum to enhance transparency and build confidence. Some co-operation has taken place in the field of non-traditional security, such as humanitarian assistance and disaster relief efforts. The measures envisaged for future co-operation activities are formulated in rather general terms: "strengthening regional defence and security cooperation"; "enhancing existing practical cooperation and developing possible cooperation in defence and security"; "promoting enhanced ties with Dialogue Partners" and "shaping and sharing of norms" (ASEAN Secretariat 2013). In recognition of the key role played by external powers in the security of the region, an ASEAN Defence Ministers Meeting Plus was put in place, with the aim of engaging ASEAN Dialogue Partners in cooperation on defence and security matters. Its priority areas reveal a more ambitious agenda, including maritime security, counter- terrorism, disaster management and peacekeeping operations, among others.

One the most remarkable efforts in operational terms can be observed in antiterrorism co-operation and especially in maritime security thanks to the joint efforts of the littoral states. Threats to maritime security in Southeast Asia are primarily piracy, armed robberies against ships and maritime terrorism. In the Strait of Malacca, a 900-kilometer strait bordering Indonesia, Malaysia and Singapore, carrying about 40% of the world's trade including ca. 80% of the energy supplies of supply, maritime security has been undermined by weak regional consensus and the confluence of territorial and resource claims over the Straits of Malacca as well as the South China Sea. Although the number of attacks in the Strait of Malacca has been declining since 2004, the need to address other maritime threats such as maritime terrorism and robbery at sea remains a priority concern for Southeast Asian countries. ASEAN responses to maritime threats have been confined to trust and confidence measures, with efforts being limited to a database system, the Information Sharing Centre (ISC), which collates and shares updated information on location of attacks, types of attacks and outcomes.

Yet, Malaysia, Indonesia, Singapore and Thailand have put in place the Malacca Straits Patrol (MSP), a coordinated sea patrol, and a joint air patrol to conduct surveillance. Differences in approach persist: While Singapore stresses maritime terrorism, Malaysia emphasises countering piratical attacks and environmental protection, and Indonesia focuses on deterring illegal maritime activities such as the trafficking of human, drugs, and weapons. Nevertheless, this initiative has proved to be a success and could constitute the basis for build-up of future co-operation in the defence field. At the same time, similarly to the human rights field, it shows how smaller groups within ASEAN are able to organise co- operation to address common interest, in the face of dissatisfaction with meagre progress at the regional level.

SELF ASSESSMENT EXERCISE

Maritime crime is a major problem of Southeast Asia, what major initiatives have been put in place by ASEAN to counter it?

3.4 The Economic Community and Economic Integration in place by 2015?

Although it was not ASEAN's initial focus, economic cooperation has been progressing gradually since the 1970s. The first substantial step toward integrating the ASEAN market came in 1992 when ASEAN agreed to establish the ASEAN Free Trade Area (AFTA), which provided for the reduction or elimination of tariffs under a Common Effective Preferential Tariff scheme and the removal of quantitative restrictions and other non-tariff measures. It also addressed other cross-border measures, such as trade facilitation and standards harmonisation. ASEAN leaders signed agreements to liberalise services trade in 1995. In the past decade ASEAN broadened cooperation on macroeconomic and financial issues, many of these together with its Northeast Asian neighbours, with which it has put in place the "ASEAN Plus 3" arrangement: China, Japan, and South Korea. However, preferential trade arrangements are usually multilateralised, in a clear example of "open regionalism."

ASEAN has envisaged the establishment of an Economic Community by 2015, consisting of a single market and production base and characterised by high competitiveness, equitable economic development and full integration into the global economy. The master plan guiding its establishment, the ASEAN Economic Blueprint, was adopted in 2007. The project was led by Thailand and especially Singapore, which has insisted on the fact that China's economic dynamism, threatens to render Southeast Asia increasingly marginal. Singapore Prime Minister Lee attempted to persuade ASEAN partners of the virtues of further economic integration, with a view to compel them to step up their efforts in this direction:

> Compared to more established groupings…ASEAN is still a long way from becoming a fully integrated community....We must make greater efforts to pool our resources and deepen regional integration (Lee 2007).

ASEAN's progress on economic integration has been stimulated by external events: an international trend toward regionalism and FTAs, especially those involving ASEAN's main trading partners, the Asian financial crisis of 1997 and the rise of emerging economies that compete with ASEAN countries, particularly China. Forecasts, however, predict that there is little likelihood that ASEAN open regionalism will evolve into a deep economic integration behind a common external trade regime; thus, there is little hope that the commitment to forming an ASEAN Economic Community beginning 2015 will be realised (ADB 2010).

SELF ASSESSMENT EXERCISE

What factors are motivating ASEAN towards economic Integration?

Challenges to ASEAN Integration

Challenges that threaten the future integration of ASEAN can be located at different levels; some of them are traditional challenges, while others have manifested themselves more recently. The practice of consensual decision making, enshrined now as a principle of the organisation, as well as the lack of mechanism for enforcement and dispute settlement have traditionally been regarded as obstacles hampering not only the integration project, but the efficacy of ASEAN as an organisation. As we have seen, the strong drive towards institutionalisation represented by the ASEAN Charter has not modified this modus operandi. Added to that, progress in ASEAN has sometimes been hampered by the diversity among ASEAN members. Stark disparities in the level of development of member states, and its accordingly diverse interest, were the main reasons leading to the collapse of the region-to-region FTA attempted by the EU in 2009. The pervasive political instability within countries in the region has also been responsible for slowing down progress with integration. An example was observable with the project of economic integration, which was originally championed by Thailand and Singapore. However, with the period of political instability that erupted in Thailand in the mid-1990s, the project lost one of its main supporters, leaving the task to exert leadership on this project to Singapore alone.

For some time, it was also believed that the predominantly autocratic nature of the regimes composing ASEAN would constitute a hurdle to integration, given that this regime type is purportedly more inimical to international co-operation than democracies. While varying degrees of autocratic rule exist among members, only Indonesia is considered to meet satisfactory levels of democracy by international standards. However, this presumption was proven wrong in the ratification process of the ASEAN Charter: While autocratic members such as Vietnam and Singapore were among the first to ratify the treaty, Indonesia only ratified after lengthy and heated parliamentary debates where the benefits of the Charter for Indonesian interest were questioned. Thus, this situation evidences that a surge in nationalistic sentiments, which is given free rein in the emerging Indonesian democracy, can constitute a more significant hurdle to integration than the presence of autocratic regimes which dominate the parliament. Irrespective of the type of government in power, the framing of national identity and independence as incompatible with integration constitutes a potentially more considerable obstacle to the ASEAN project.

The changing character of Indonesian elites' attitude towards ASEAN represents a further challenge that has led some authors to fear a stagnation of Integration, if not a reversal. The growing international profile attained by Indonesia, reflected in its membership of the G20 and its prominence in the US geopolitical discourse, is at the core of this concern. Indonesian elites are becoming increasingly frustrated at ASEAN's reluctance to move towards more institutionalised forms of co-operation, while fellow member states worry about the attention devoted to Indonesia by external powers to the detriment of ASEAN as a whole. Concerns about the possible Indonesian disengagement are undermining member states' commitment to the cherished principle of ASEAN centrality. However, the single most fundamental threat to ASEAN unity is undoubtedly the polarising effect that China exerts on its members. China is ASEAN's main trading partner, accounting for 14.4% of ASEAN's imports and 11.9% of its exports (European Commission, 2012). For individual ASEAN members, China is not always the top trading partner but it is consistently among the top three (e.g. first for Vietnam, second for Thailand, Laos and Indonesia, third for Singapore). This creates a situation in which many member states are reluctant to antagonise China, with some of them prioritising relations with Beijing over ASEAN solidarity.

The centrifugal effect that Chinese influence can exert on ASEAN is most visible in the conflict over the South China Sea, which has reached high levels of tension over the past three years. This conflict concerns a number of small, mostly uninhabited islands located in the South China Sea whose ownership is disputed between China, Vietnam, Philippines and Malaysia, among others. The current tensions surface in clashes between Philippines and China or Vietnam and China over fishing vessels, with fishermen being detained by Chinese patrol ships, as well as in the militarisation of the islands through the establishment of small military bases. The reaction of other ASEAN members has been mixed; however, they have generally shown limited support for the Philippine and Vietnamese positions. ASEAN Chair Cambodia was reportedly reluctant to mention China's militarisation of the South China Sea in the joint communiqué following the Foreign Ministers Meeting in November 2012 in Phnom Penh as demanded by the Philippines and Vietnam. The fact that the chair adopted a position closer to Beijing than some fellow ASEAN members exposes significant divisions within the block. For its part, Singapore prefers to remain neutral in the conflict, while Indonesia is concerned about the possibility that the dispute may attract the intervention of external powers, turning Southeast Asia into a theatre for great power competition again.

This situation has major implications for ASEAN, given that it does not rest on any binding mutual defence commitment. The divisive effect of China's growing economic dominance and political influence raises serious doubts as to whether ASEAN will continue to be able to protect its members from external interference. Indeed, concerns remain that ASEAN's prospective chairmanships will be held by relatively less capable states with close links to China such as Myanmar in 2014 and Laos in 2016, which may prove unable to tackle divisions and forge greater integration. It is also uncertain whether Secretary-General Ambassador Le Loung Minh from Vietnam will be able to match the visionary leadership provided by his predecessors, Thai Ambassador Surin Pitsuwan from Thailand and Ambassador Ong Keng Yong from Singapore, in spite of the enhanced powers bestowed upon this figure by the Charter.

SELF ASSESSMENT EXERCISE

Critically analyse four major challenges obstructing the march of ASEAN toward integration?

3.5 ASEAN Regional Forum

In existence since 1994, the ASEAN Regional Forum (ARF) comprises 27 members, namely all ASEAN members plus Australia, Bangladesh, Canada, China, the EU, India, Japan, Democratic Peoples' Republic of Korea, Republic of Korea, Mongolia, New Zealand, Pakistan, Papua New Guinea, Russian Federation, Sri Lanka, Timor Leste and the United States. It remains the only organization in East Asia dealing with security issues, although the establishment of the East Asia Summit, with a more restrictive membership, has overshadowed its importance.

ASEAN Plus 3

ASEAN Plus Three (APT), encompassing ASEAN members in addition to Japan, South Korea and China, has been in existence since 1997. It has developed cooperation primarily in non-traditional security areas, economic co-operation and development, such as food and energy security, financial cooperation, trade facilitation, disaster management, narrowing the development gap, rural development and poverty alleviation, human trafficking, labour, communicable diseases, environment and sustainable development, and transnational crime, including counter-terrorism. It is one of the most successful forums in the external relations of ASEAN; its landmark achievement is the Chiang Mai initiative, which led to the development of the Asian Currency Unit. Beijing, meanwhile, has also embarked on its own charm diplomacy; by matching its political rhetoric with material resources, China has increasingly built its reputation as a credible long-term stake holder within the region. In addition to the ASEAN-China Free Trade, the Chinese government also reportedly proposed a fund of $10 billion for infrastructure projects, along with a $15 billion loan for other developmental projects in the region over the next three to five years. Indeed, Beijing’s ability to maintain its stellar economic performance despite the global economic downturn has also prompted analysts to suggest that China could emerge as an independent source of demand – the potential of the Chinese consumer to replace, at least partially, the consumption lost in the West has been much discussed.

East Asia Summit

Established in 2005 at the initiative of Malaysia, the East Asia Summit (EAS) was conceived as an ASEAN- led caucus group to deal with economic and security questions. It originated in the context of the ASEAN Plus Three summit, and it was meant to take place at summit level following ASEAN summit meetings. The potential for enlarging this forum is a controversial question. While the US and Russia joined the original members, which included ASEAN Plus Three with India, Australia and New Zealand, the EU’s bid for membership has so far been rejected due to some members’ desire to limit the membership of the club to a reduced number of key players in the Asian security landscape.

ASEM

Created in 1996 at the initiative of France and Singapore, ASEM constitutes the only organisation linking Asia and Europe. It consists of biannual summit meetings held alternatively in an Asian and European member. Although it does not have any permanent secretariat, the Asia-Europe Foundation (ASEF) in Singapore fulfils some of functions typical of a secretariat. After its most recent enlargements to include Russia, New Zealand and Australia in 2010 and Bangladesh, Norway and Switzerland in 2012, membership currently numbers 51 countries.

The importance of ASEAN was brought to bear during the last financial crises in Asia as the activities of the organisation helped to cushion the effects of the crises. Firstly, ASEAN was proven capable to respond effectively to the threat of expanding crisis. ASEAN response includes policies in domestic, regional and international levels. Domestically the member countries managed to provide appropriate stimulus and coordinated it regionally. And in the wider region, ASEAN managed to coordinate financial cooperation in East Asia. Secondly, regional structural reform is currently taking place in ASEAN. Despite the limited progress in reforming decision making mechanism and non-interference principles, ASEAN is undergoing a certain extent of progress in institutionalization to better suit its growing functions. In fact, ASEAN is quite confident in keeping the pace of implementing the blueprints and roadmaps toward integration. Thirdly, financial crisis had been affecting the downturn in ASEAN economies. However, it did not hinder the overall progress of regional integration. On the contrary, crisis had triggered acceleration in the pace of financial cooperation during the 1998 Asian crisis and 2008 global crisis. The reason for this is that the crisis raised awareness among East Asian major powers of the urgency of supporting ASEAN economies for the sake of shared common interest. Fourthly, ASEAN has played an important role in mitigating the crisis. It is important to note that ASEAN is only one contributing factor in the recovery process. The overall process is affected by East Asian and global policies. However, ASEAN played an important part in facilitating East Asian regional financial cooperation and policy coordination that enabled East Asia to lead the recovery. Fifthly, political economic studies on ASEAN perspective in its international relations find that ASEAN has an inclusive nature. It is not in an opposition to the existing international institutions and order. ASEAN represents an outward-looking regionalism, which although seeking reforms in the international economic architecture but it is only a modest reforms in order to provide a better supporting conditions for its economic development. Not an ambitious perspective to change the existing international economic order.

SELF ASSESSMENT EXERCISE

What impact, if any, has the ASEAN Plus Three had on the economic development of Asia?

4.0. CONCLUSION

Since the EU is the model, ASEAN is aspiring to follow it is still a long way from its destination. However, ASEAN has achieved some remarkable goals of its own. The ability of the organisation to bring in potential belligerents like the U.S and China shows its commitment to ensuring peace in the region. If Asia continues growing at its present pace, there is little doubt that ASEAN might even overtake the EU in global importance and reach.

5.0 SUMMARY

ASEAN's greatest achievement is the reconciliation of members to the right of each to exist thus the member states beginning with Indonesia has renounced violence against its neighbour (Malaysia). Once the Asia region had been home town of despots and life presidents with the concomitant abuse of human rights, today it is no longer so. ASEAN has inserted in its charter the respect of democracy and human rights. In the area of regional integration ASEAN has done well to integrate strange bedfellows, so to speak, such as China, North Korea who is more likely to ignite conflict in the region.

6.0 TUTOR MARKED ASSIGNMENT

Discuss the various forum through which ASEAN interacts with the rest of Asia?

7.0 REFERENCES/FURTHER READINGS

Parameswaran, P. (2013) "The Power of Balance:" Advancing US-ASEAN Relations under the Second Obama Administration. The Fletcher Forum of World Affairs, vol.37: No.1 (winter).

Sheldon S (2012) "US-Southeast Asia Relations: ASEAN Stumbles. Comparative Connections A Triennial E-Journal on East Asian Bilateral Relations" Arizona State University

The Association of Southeast Asian Nations (ASEAN): Integration, Internal Dynamics and External Relations http://www.europarl.europa.eu/activities/committees/studies.do?language=EN

Hwee,Y(2013) "How should ASEAN engage the EU? Reflections on ASEAN's External re lations". EU Centre in Singapore Working Paper No. 13, April 2013. www.eucentre.sg

Ho, B (2012) ASEAN Ready for Global Role? http://thediplomat.com/new-leaders-forum/2012/02/21/asean-ready-for-global-role/

Laruelle, M. and Peyrouse, S. (2012), "Regional Organisations in Central Asia: Patterns of Interaction, Dilemmas of Efficiency". University of Central Asia, *Graduate School of Development Institute of Public Policy and Administration.* Working Paper NO.10.

UNIT 2 EXTERNAL RELATIONS OF ASEAN

CONTENTS

1.0. INTRODUCTION

In the previous unit we discussed the various institutional frameworks in place in ASEAN as an organisation. In this unit we shall focus on an important part of ASEAN's activities, which are its relations with the external world. In order to be a world player and also fully aware of its reliance on the export trade, ASEAN has opened robust relationships with the major players in international trade.

2. OBJECTIVES

At the end of this unit, you should be able to:

a. Discuss ASEAN's External Policy
b. Mention the Key Dialogue Partners of ASEAN

3.0 Main Content

3.1 External Relations Structure

The external relations conducted by ASEAN play a central role in the life of the organisation. Because ASEAN does not feature any supranational elements, its external relations do not constitute a "projection" or "extension" of internal policies as is the case with the EU. However, external relations matter in other respects: Firstly, ASEAN's alignment with the notion of open regionalism sometimes blurs the distinction between members and non-members. Secondly, and most importantly, the development of links between ASEAN and individual or collective dialogue partners has allowed Southeast Asian countries to considerably enhance their clout vis-a-vis regional powers. In certain fields, notably security, the weak institutional architecture of the Asian region – and notably Northeast Asia – has allowed ASEAN to establish itself as an improbably central player. The Charter enshrines the notion of ASEAN centrality as one of its principles, with member states committing to observe: "the centrality of ASEAN in external political, economic, social and cultural relations, while remaining actively engaged, outward-looking, inclusive and non-discriminatory" (ASEAN Charter, 2008, p.7). Similarly article 42 on external relations note that: "ASEAN should be the primary driving force in regional arrangements that it initiates and maintain its centrality in regional co-operation and community building" (ASEAN Charter, 2008, p.31). ASEAN acquired legal personality with the Charter, mirroring the EU's Treaty of Lisbon. In addition, certain provisions echo the Common Foreign and Security the world stage, "member states shall co-ordinate and endeavour to develop common positions and pursue joint actions" (ASEAN Charter, 2008, p.31).

One of the signs of the outward-looking character of ASEAN and of its willingness to embed itself in a wider global network is the opening of the TAC of 1976 to signature by third countries. Through this treaty, signatories subscribe to the principles of respect for sovereignty, peaceful resolution of disputes and non-interference that are at the basis of the organisation. Current signatories include Brazil. In order to allow for the accession of the EU, ASEAN members had to amend the protocol stipulating the membership provisions of the treaty, in a clear sign of appreciation towards the EU.

ASEAN entertains dialogues with ten Dialogue Partners: Australia, Canada, China, EU, India, Japan, New Zealand, South Korea, Russia and the US. The United Nations Development Program (UNDP) also has dialogue status. Relations with three selected dialogue partners are outlined below.

SELF ASSESSMENT EXERCISE
In what ways is ASEAN benefiting from its external relations?

3.2 Relations with the EU

The relationship established with the EU constitutes the first interregional (i.e. block to block) relationship entered into by ASEAN, dating back to the early 1970s. The relationship is governed by the ASEAN-EU Ministers Meeting, which holds sessions every two years. The basis for relations between both organisations is the Co-operation Agreement signed in 1980, which extended most-favoured nation treatment to all members. In terms of trade relations, following the Global Europe communication, some Asian countries, including ASEAN, were declared a priority for the conclusion of Partnership and Co-operation Agreements (PCAs) and Free Trade Agreements (FTAs).

The EU is ASEAN's third most important trading partner after China and Japan but before the US. It is the second export partners, accounting for 11% of ASEAN's exports (European Commission, 2012). Three ASEAN members feature among the EU's top 25 trading partners: Singapore ranks 14th, Malaysia and Thailand 24th and 25th respectively, while three others are among the top 50: Indonesia ranks 29th, Vietnam 31st and Philippines 47th (European Commission, 2012). However, the economic importance of ASEAN to the EU remains secondary in the Asian context; indeed, it has been posited that the continued focus on China suits EU interest better than devoting increased attention to Southeast Asia.

SELF ASSESSMENT EXERCISE
What is the basis of the relations between the EU and the ASEAN organisations?

3.3 Relations with the US

The ASEAN-US Dialogue relationship began in 1977. The development of ASEAN's relationship to the US largely mirrors the evolution of EU-ASEAN relations. During the cold war, they were focused on trade and development issues, acquiring a political dimension only from the early 1990s onwards. Nowadays, co-operation extends to a wide range of areas, including connectivity, human rights, disaster relief, and anti-terrorism or combating human trafficking. On account of its key security role in Asia, the US is represented together with China and Japan in every ASEAN-driven security forum, including ARF and the East Asia Summit, apart from entertaining bilateral defence ties with several ASEAN members and Asia-Pacific powers such as Australia and New Zealand. The configuration of US economic relations with the region appears a more complex exercise: The US- launched Transpacific Partnership agreement (TPP), currently being negotiated among eleven countries, includes four ASEAN states -Brunei, Malaysia, Singapore and Vietnam-, leaving out the other six.

Much has been made over the last decade concerning the rise of Asia – led by China and India – and the continent's increasingly important role. The announcement by U.S. Secretary of State Hillary Clinton last year that the 21st century would be America's "Pacific Century" further strengthened the belief that the epicentre of 21st century global politics would be located within Asia. And, as has been well-documented, ongoing economic turmoil has also led to growing numbers of Western countries looking at Asia – particularly China – for financial assistance. In light of various leadership transitions taking place later this year among the major powers, one can expect conditions in Asia to factor significantly in the political discourse of their leaders.

What does Asia's increasing prominence mean for ASEAN – a ten-member political community whose regional presence has received growing attention from the global community of late? Already Washington has embarked on its "forward-deployed diplomacy" strategy in the region as evinced by Clinton's attendance at ASEAN Regional Forum and her landmark visit to Burma. The United States' recent conduct of separate high level meetings with both the Philippines and Singapore over defence and security issues suggests that ASEAN will be a strategic region as far as Washington's military strategies are involved. In a recent interview, Singaporean Prime Minister Lee Hsien Loong, for his part, noted that the U.S. presence in the region since World War II has been a "tremendous benign influence" and that it was "a good example for the Chinese to seek to emulate."

SELF ASSESSMENT EXERCISE
In what ways has ASEAN profited from its relationship with the United States?

3.4 Relations with Australia

Australia became an ASEAN Dialogue Partner in 1974. Australia has developed a deep relationship with ASEAN, covering cooperation in a range of areas including security, culture, trade, education and development. Together with New Zealand, Australia and ASEAN signed the ASEAN-Australia-New Zealand FTA (AANZFTA) in 2009, in force since 2010. In 2012, trade in goods and services with ASEAN totalled AUS$90.1billion (about €64 billion).

Australian support to ASEAN focuses on three areas: infrastructure connectivity initiatives in the Greater Mekong Sub-region, in cooperation with the World Bank and the Asian Development Bank; the Tripartite Action to Protect Migrants within and from the Greater Mekong Sub-region from Labour Exploitation initiative in cooperation with the International Labour Organisation. The ASEAN-Australia

Development Cooperation Programme is designed to help ASEAN realise its goal of an economic community by 2015.

SELF ASSESSMENT EXERCISE
In what areas does Australia support the ASEAN organisations?

4.0. CONCLUSION

The globalisation of world economy had made the ASEAN community to focus intently on its relations with the external world. The reason why these external relations are of utmost importance to ASEAN is that it is constituted of mainly trading nations who rely on the import and export trade to survive. Thus with the passage of time, the relations with its dialogue partners will continue to grow in importance.

5.0 SUMMARY

The central thrust of the ASEAN has been its external relations especially with the west. In this regard it has carefully modelled its integrationist policies toward that of the EU and has bent over backwards to see that internal polices in the member states are in conformity with acceptable western polices. This aping has been good for the ASEAN as its trade volume with the EU, relative to other parts of the world, has grown astronomically. The U.S. which has long been a foreign partner of the region has also come in with the recognition that this century will be the 'American-Pacific century'. This is all but an admission that ASEAN is growing in strategic importance in the United States policy making.

6.0 TUTOR MARKED ASSIGNMENT
Critically analyse the key areas of ASEAN cooperation with its three dialogue partners?

7.0 REFERENCES/FURTHER READINGS
Parameswaran, P. (2013) "The Power of Balance:" Advancing US-ASEAN Relations under the Second Obama Administration. The Fletcher Forum of World Affairs, vol.37: No.1 (winter).
Sheldon S (2012) "US-Southeast Asia Relations: ASEAN Stumbles. Comparative Connections A Triennial E-Journal on East Asian Bilateral Relations" Arizona State University
The Association of Southeast Asian Nations (ASEAN): Integration, Internal Dynamics and External Relations http://www.europarl.europa.eu/activities/committees/studies.do?language=EN
Hwee,Y(2013) "How should ASEAN engage the EU? Reflections on ASEAN's External re lations". EU Centre in Singapore Working Paper No. 13, April 2013. www.eucentre.sg
Ho, B (2012) ASEAN Ready for Global Role? http://thediplomat.com/new-leaders-forum/2012/02/21/asean-ready-for-global-role/
Laruelle, M. and Peyrouse, S. (2012), "Regional Organisations in Central Asia: Patterns of Interaction, Dilemmas of Efficiency". University of Central Asia, *Graduate School of Development Institute of Public Policy and Administration.* Working Paper NO.10.

UNIT 3 REGIONAL INTEGRATION IN LATIN AMERICA

CONTENTS

1.0 INTRODUCTION

In the previous unit we focused on an important part of ASEAN’s activities, which was its relation with the external world. We saw that in order to be a world player and also fully aware of its reliance on the export trade, ASEAN opened robust relationships with the major players in international trade. In this unit, we shall study another regional integrative system which is Latin America.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

a. discuss the history of regional integration in Latin America
b. Evaluate the achievements or otherwise of Regional Integration in Latin America.

3.0 Main Content

3.1 The History of Regional Integration in Latin America

At the end of the wars of independence (1808–1825), many new sovereign states emerged in the Americas from the former Spanish colonies. The South American independence leader Simón Bolívar envisioned various unions that would ensure the independence of Spanish America vis-à-vis the European powers—in particular Britain—and the expanding United States. Already in his 1815 Cartagena Manifesto, Bolívar advocated that the Spanish American provinces should present a united front to the Spanish in order to prevent their being re-conquered piecemeal, though he did not yet propose a political union of any kind. During the wars of independence, the fight against Spain was marked by only an incipient sense of nationalism. It was unclear what the new states that replaced the Spanish Monarchy should be. Most of those who fought for independence identified with both their birth provinces and Spanish America as a whole, both of which they referred to as their patria, a term which incorporates meanings contained today in the English words "fatherland" and "homeland."

As Bolívar made advances against then royalist forces, he began to propose the creation of various large states and confederations, inspired by Francisco de Miranda's idea of an independent state consisting of all of Spanish America, which Miranda variously called "Colombia," the "American Empire" or the "American Federation." In 1819 Bolívar was able to successfully create a nation called "Colombia" (today referred to as Gran Colombia) out of several Spanish American provinces and in 1825 he proposed joining it to Peru and Upper Peru in a confederation or state that he suggested be called the "Bolivian Federation" or "Bolivian Union", and which historians refer to as the "Andean Confederation," but this never came about.

Other large states that emerged from the disintegration of the Spanish Monarchy also failed to prove long-lived. The Federal Republic of Central America, created out of the former Captaincy General of Guatemala, ceased to exist in 1840. The United Provinces of South America was never viable and suffered from nearly constant civil war between its provinces and the capital, Buenos Aires. Argentina would not become united until the 1850s. The 1836 attempt to reunite the key regions of the former Viceroyalty of Peru in a Peru-Bolivian Confederation fell apart after three years. Only Mexico, which consisted of the core areas of the Viceroyalty of New Spain remained as a physically large state in Latin America. The other regional exception was the Empire of Brazil, from which Portugal essentially declared independence in 1820 by demanding the return of the Portuguese king and court from Rio de Janeiro.

Bolívar also proposed a separate league of the newly independent Spanish American republics and to this end organized the Amphictyonic Congress or the Congress of Panama in 1826. Bolívar did not invite Brazil, since it was a monarchy and he saw it as a threat to the new republics' existence, nor did he invite the government at Buenos Aires, since the region lacked any real political unity to effectively be represented. Only after pressure was placed on him, was the United States invited to the congress, but one representative died en route and the other arrived after deliberations were concluded. Britain was present only as an observer. The congress did draft a "Treaty of Union, League, and Perpetual Confederation," a pact of mutual defense and commerce, but only Gran Colombia ratified it. Gran Colombia itself fell apart in 1830. Because of these failed projects, Latin American politicians often speak of regional integration as "Bolivar's dream."

The Pan American Union headquarters building in Washington, D.C. in 1943.
Sixty-three years after the Amphictyonic Congress, a secretariat, the Commercial Bureau of the American Republics, was created by eighteen American nations in 1889 at the First Pan-American Conference to promote trade in the Western Hemisphere. The Commercial Bureau began functioning on April 14, 1890. The bureau was renamed the International Commercial Bureau at the Second International Conference of 1901–1902. At the Fourth Pan-American Conference in 1910, the name of the organization was changed to the Union of American Republics and the International Commercial Bureau became the Pan American Union.

The experience of World War II convinced hemispheric governments that unilateral action by one nation could not ensure the territorial integrity of the American nations in the event of extra-continental aggression, in particular Soviet or communist incursions. To meet the challenges of global conflict in the Cold War period and to contain conflicts within the hemisphere, they adopted a system of collective security, the Inter-American Treaty of Reciprocal Assistance, popularly known as the Rio Treaty, in 1947. The following year, at the Ninth International Conference of American States, headed by U.S. Secretary of State George Marshall, twenty-one member states pledged to fight communism in the Americas, and transformed the Pan American Union into the Organization of American States (OAS). The transition from the Pan American Union to OAS was smooth. The Director General of the Pan American Union, Alberto Lleras Camargo, became the OAS's first Secretary General and the organization began functioning in December 1951.

The integration of Latin America has a history going back to Spanish American and Brazilian independence, when there was discussion of creating a regional state or confederation of Latin American nations to protect the area's newly won autonomy. After several projects failed, the issue was not taken up again until the late nineteenth century, but now centered around the issue of international trade and with a sense of Pan-Americanism due to the United States of America taking a leading role in the project. The idea of granting these organizations a primarily political purpose did not become prominent again until the post-World War II period, which saw both the start of the Cold War and a climate of international cooperation that led to the creation of institutions such as the United Nations. It would not be until the mid-twentieth century that uniquely Latin American organizations were created. By the late twentieth century, many Latin American leaders saw a need for an alternative organization that was not dominated by the United States. The experience of dealing with the 1970s and 1980s communist insurgencies in Central America through the creation of the Contadora Group, which did not include the United States, inspired the creation of the Rio Group in 1986. The Rio Group did not create a secretariat or permanent body and instead chose to rely on yearly summits of heads of states.

Latin America also reached out to Europe, in particular its former colonial mother countries, to create other regional organizations based around common languages and cultures. In 1991 the governments of Mexico, Brazil and Spain organized the First Ibero-American Summits of Heads of State and Governments in Guadalajara, Mexico. The result was the creation of the Iberoamerican Community of Nations, which holds yearly summits of its heads of state.

SELF ASSESSMENT EXCERCISE
What is the first effort at regional integration in Latin America?

3.2 Uniquely Latin American Organizations

Trade, not politics, also served as the principal issue around which various, uniquely Latin American regional organizations were formed after mid 19^{th} century. On October 14, 1951 the governments of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua signed a new treaty creating the Organization of Central American States *(Organización de Estados Centroamericanos,* or *ODECA)* to promote regional cooperation, integration and unity in Central America. This led to the creation of the Central American Common Market, the Central American Bank for Economic Integration, and the Secretariat for Central American Economic Integration (SIECA) nine years later on December 13, 1960.

Other regional trade blocs were also established in this period. The Latin American Free Trade Association (ALALC) was formed by the 1960 Treaty of Montevideo, which was signed by Argentina, Brazil, Chile, Mexico, Paraguay, Peru, and Uruguay. The signatories hoped to create a common market in Latin America and offered tariff rebates among member nations. Its main goal was to eliminate all duties and restrictions on the majority of their trade within a twelve-year period. ALALC came into effect on January 2, 1962. Inspired by the European Communities, in 1980 the

ALALC was transformed into the Latin American Integration Association (ALADI) by the second Treaty of Montevideo to pursue the more ambitious goal of improving the economic and social development of the region through the establishment of the common market.

In 1969 the Andean Pact was founded by Chile, Bolivia, Peru, Ecuador and Colombia. In 1973, the pact gained its sixth member, Venezuela. In 1976, however, its membership was again reduced to five when Chile withdrew. Venezuela announced its withdrawal in 2006, reducing the Andean Community to four member states. The name of the organization was changed to the Andean Community of Nations (CAN) in 1996. In 1985 the presidents of Argentina and Brazil signed the Argentina-Brazil Integration and Economics Cooperation Programme. This eventually led to the founding of Mercosur by Brazil, Paraguay, Uruguay and Argentina in 1991 to promote free trade and the fluid movement of goods, people, and currency. In 1995 Mexico, Colombia and Venezuela created the G3 Free Trade Agreement. Venezuela left the G3 in 2006 at the same time it left the CAN. In addition to these trade organizations, several parliamentary organizations have been created. Mercosur agreed in December 2004 to create a Mercosur Parliament, which should begin functioning in 2010. Earlier in 1987 a Latin American Parliament was created and is located in Panama City.

In December 2004 Mercosur and the Andean Community of Nations signed a reciprocal associate-member status agreement and issued the Cusco Declaration stating that they would create a political South American Community of Nations. The Declaration purposely invoked "Bolívar's dream," noting that it would be partially realizing his vision of uniting Latin America. The original name of the union was changed to the current one, the Union of South American Nations in April 2007. In the press, the phrase "United States of South America" was bandied about as an analogy to the United States to reflect the economic and political power that this union would have on the world stage.

4.0 Conclusion

At the Ninth International Conference of American States, headed by U.S. Secretary of State George Marshall, twenty-one member states pledged to fight communism in the Americas, and transformed the Pan American Union into the Organization of American States (OAS). The transition from the Pan American Union to OAS was smooth. The Director General of the Pan American Union, Alberto Lleras Camargo, became the OAS's first Secretary General and the organization began functioning in December 1951.

5.0 Summary

It was not until the mid-twentieth century that uniquely Latin American organizations were created. By the late twentieth century, many Latin American leaders saw a need for an alternative organization that was not dominated by the United States. The experience of dealing with the 1970s and 1980s communist insurgencies in Central America through the creation of the Contadora Group, which did not include the United States, inspired the creation of the Rio Group in 1986. The Rio Group did not create a secretariat or permanent body and instead chose to rely on yearly summits of heads of states.

6.0 Tutor-Marked Assignment

Why did the Latin American countries find it necessary to have a union not dominated by United States?

7.0 References/Further Reading

Breslin, S. Hughes, C. Philips, N. & Rosamond, B. (2001) *Regionalism in the Global Political Economy: Theories and Cases.* London: Routledge.

Burley, A. M. & Mattli, W. (1993) "Europe before the Court: A Political Theory of Legal Integration", *International Organisation Vol. 47 No.1*.

Cameron, D. (1992) "The 1992 Initiative: Causes and Consequences". In Sbragia, A. (Ed.) *Euro-Politics: Institutions and Policy making in the 'New' European Community.* Washington: The Brookings Institute.

Camilleri, J. (2003) *Regionalism in the new Asia-Pacific Order.* Cheltenham: Edward Elgar.

Churchill, W. (1946) "Speech to the Academic Youth" Zurich, Switzerland Cited in Boyd A. and Boyd, F. *Western Union.* London: Hutchinson. Available on http://www.europa-web.de.eurapa/02wwswww/202histo/churchil:htm Accessed August 1, 2009

Coleman, W. D. & Underhill, G.R.D. (1998) *Regionalism and Global Economic Integration: Europe, Asia and the Americas* London: Routledge.

European navigator "The Political Consequences" Available on http://www.ena.lu/doc=242andlang=3. Retrieved September 5, 2007

Faroutan, F. and Prichet, L. (1993) "Intra Sub-Saharan African Trade: Is It Too Little?" *Journal of African Economies, Vol. 3*, pp 74-105.

Farrell, M. Hettne, B. (2005). *Global Politics of Regionalism* London: Pluto Press.

Francois, C.A. & Subramanian, A. (1998) "Beyond Trade: Regional Arrangements as a Window on Globalization". In Z. Igbal and M. S Khan (Eds) *Trade Reform and Regional Integration in Africa IMF* Washington, D.C: IMF

Prebisch, R. (Ed.) (1964) "Towards a New Trade Policy for Development" *UNCTAD Report.*

Rhodes, R.A.W. (1997) *Understanding Governance. Policy Networks, Governance, Reflexivity and Accountability*, Open University Press.

Rosamond, B. (2000). *Theories of European Integration* Hounds mills: Palgrave Macmillan.

Sbragia, A. (1992) *Euro-Politics: Institutions and Policy-Making in the 'New' European Community.* Washington, DC: The Brookings Institute.

Steinmo, S. K. & Longstreth, T. F. (1992) *Structuring Politics: Historical Institutionalism in Comparative Perspective* Cambridge: Cambridge University Press.

Tinbergen, J. (1954) "International Economic Integration" Amsterdam: Elsevier

Weigall, D. & Stirk, P. (1992) (Eds) *The Origins and Development of the European Community*. Leicester: Leicester University Press.

UNIT 4 REGIONAL INTEGRATION IN NORTH AFRICA

CONTENTS

1.0 INTRODUCTION

In the previous unit we examined the integration of Latin America and its history going back to Spanish American and Brazilian independence, when there was discussion of creating a regional state or confederation of Latin American nations to protect the area's newly won autonomy. In this unit, the focus will be on the Arab/Maghreb union.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

a. Mention the member states of AMU
b. Discuss the historical institutional make up of the union
c. Indentify the challenges of the organization.

3.0 Main Content

3.1 North African Countries Integration

The Arab Maghreb Union (AMU) is the major regional integration arrangement in the North Africa region, comprising Algeria, Libya, Mauritania, Morocco and Tunisia. Egypt and Sudan are not involved in AMU though are within the region, they are however, members of the Common Market for Eastern and Southern Africa (COMESA).

Arab-Maghreb Union (AMU)

The Arab Maghreb Union (AMU) is a recent creation, established in 1989 and aims to create a customs union by 1995 and a common market by the end of 2000. The preamble to the AMU treaty envisaged that the organization should be open to other Arab and African countries.

Member states

Algeria
Libya
Mauritania
Morocco
Tunisia

The Arab Maghreb Union (AMU; Arabic: اتحادالمغربالعربي Ittiḥād al-Maghrib al-‘Arabī; French: Union du Maghreb arabe, UMA) is a trade agreement aiming for an economic and future political unity among Arab countries of the Maghreb in North Africa. Its membership is the countries Algeria, Libya, Mauritania, Morocco and Tunisia.

The union is often stalling due to deep political and economical disagreements between Morocco and Algeria regarding, among others, the issue of Western Sahara.
The idea for an economic union of the Maghreb began with the independence of Tunisia and Morocco in 1956. It was not until thirty years later, though, that five Maghreb states - Algeria, Libya, Mauritania, Morocco, and Tunisia - met for the first Maghreb summit in 1988. The Union was established on 17 February 1989 when the treaty was signed by the member states in Marrakech. According to the Constitutive Act, its aim is to guarantee cooperation "with similar regional institutions... [to] take part in the enrichment of the international dialogue... [to] reinforce the independence of the member states and... [to] safeguard... their assets...." Strategic relevance of the region is based on the fact that, collectively, it boasts large phosphate, oil, and gas and it is a transit centre to southern Europe. The success of the Union would, therefore be economically important.

Organization
There is a rotating chairmanship within the AMU which is held in turn by each nation. The current secretary-general is Tunisian diplomat Habib Ben Yahia. During the 16th session of the AMU Foreign ministers, held on 12 November 1994 in Algiers, Egypt applied to join the AMU grouping. There have been problems of traditional rivalries within the AMU. For example, in 1994, Algeria decided to transfer the presidency of AMU to Libya. This followed the diplomatic tensions between Algeria and other members, especially Morocco and Libya, whose leaders continuously refused to attend AMU meetings held in Algiers. Algerian officials justified the decision, arguing that they were simply complying with the AMU constitutive act, which stipulates that the presidency should in fact rotate on an annual basis. Algeria agreed to take over the presidency from Tunisia in 1994, but could not transfer it due to the absence of all required conditions to relinquish the presidency as stipulated by the constitutive act.

Following the announcement of the decision to transfer the presidency of the Union, the Libyan President, Muammar Gaddafi, stated that it was time to put the Union "in the freezer". This raises questions about Libya's position towards the Union. The concern is that Libya will have a negative influence on the manner in which it will preside over the organization. Moreover, traditional rivalries between Morocco and Algeria, and the unsolved question of Western Sahara's sovereignty, have blocked union meetings since the early 1990s despite several attempts to re-launch the political process. Western Sahara, a former Spanish colony south of Morocco that was "reintegrated" by the kingdom of Morocco, has declared independence as the Sahrawi Arab Democratic Republic. The latest top-level conference, in mid-2005, was derailed by Morocco's refusal to meet, due to Algeria's vocal support for Saharan independence. Algeria has continuously supported the POLISARIO liberation movement.

Several attempts have been made, notably by the United Nations, to resolve the Western Sahara issue. In mid-2003, the UN Secretary General's Personal Envoy, James Baker, proposed a settlement plan, also referred to as the Baker Plan II. The UN's proposal was rejected by Morocco and accepted by the Sahrawi Arab Democratic Republic. As far as bilateral attempts are concerned, very little has been achieved, as Morocco continues to refuse any concessions that would allow the independence of Western Sahara, while Algeria maintains its support for the self-determination of the Saharawis. In addition, the quarrel between Libya and Mauritania does not make the task of reinvigorating the organisation any easier. Mauritania has accused the Libyan Secret Services of being involved in a 2003 attempted coup against President Maaouya Ould Sid'Ahmed Taya. Libya has denied the accusation.

Since its creation, the five countries of AMU have signed more than 30 multilateral agreements covering diverse economic, social and cultural areas. While member countries have ratified varying numbers of these agreements only five agreements have been ratified by all members of the union. These include agreements on trade and tariffs (covering all industrial products); trade in agricultural products, investment guarantees; avoidance of double taxation; and sanitary standards The free trade area, which was scheduled to be operative before 1992, has not yet come into force. Because many of these objectives are just being realized by bilateral agreements among the AMU countries, it is not expected that the implementation of the free trade objectives of the AMU Treaty, which would imply the multilateralization of the present bilateral arrangements, will pose peculiar problems.

SELF ASSESSMENT EXCERCISE
How many countries make up the Arab/Maghreb and name them.

3.2 Challenges of AMU
Nevertheless, there are a number of constraints on trade within the region, which reduce the impact of tariff reductions; and there is very little prospect for intra-regional trade expansion without the removal of such barriers, the nature of which varies from country to country. First, there is a relatively lack of complementarities in the production structures of the various countries, although recently some countries in the region, Tunisia, for instance, have made notable advances in the diversification towards manufactured goods. Secondly, the countries of the region are heavily dependent on European markets for their external trade. Thirdly, the payments problems constitute a serious obstacle to the expansion of trade within the region. The adverse effect of the multiplicity of non-convertible currencies is aggravated by the heavy burden of indebtedness. The limitations of such arrangements underline the view that no major progress can be made in promoting intra-regional trade without a payments system that will support that effort.

A notable development in AMU is the association agreements recently signed by two of its members, namely Morocco and Tunisia, with the EU. The significance of these agreements derives from the fact that the total annual output of Morocco and Tunisia accounts for more than a third of AMU’s combined GDP while their populations accounts for half of AMU’s total population. The agreement establishes a free trade zone for industrial goods over 12-year transitional period. The accord also covers liberalization of services but did not cover agricultural products which were negotiated in 2000. The association agreements are expected to have an impact on the economies of Morocco and Tunisia through a number of channels. Static and dynamic efficiency gains would tend to strengthen long-term growth, while transitional short-term costs may affect certain sectors and put pressure on unemployment to rise. The direction and magnitude of these effects will depend on the pace of structural reforms aimed at facilitating the required industrial reforms and reallocation of factors of production towards more competitive activities. Thus, despite potential long term gains, the agreements might exert some short-term costs as some local companies that would not be able to compete may face difficulties.

Morocco and Tunisia have already embarked on implementing programmes to up their national industries for the coming competition. Morocco has set up an upgrading programme aimed to promote private sector export-oriented industries. The objective of these programmes is to foster increased efficiency in the local industries to enable them to compete effectively with EU industries as well as to take advantage of the opportunities of the EU market. The upgrading of domestic industries will require larger imports of technology and capital goods, which might lead to a rapid increase in import bills. The composition of exports in both countries is expected to change in favour of manufactured items and the export base will expand to include a larger number of items.

In Morocco for instance, an estimated 60 percent of the industrial sector will face tough competition from European firms. The conversion costs designed to prepare Moroccan industry to the upcoming competition is estimated at $3.5 billion (ADR, 2000). Over the next five years, that is 2005, the EU assistance to this endeavor is limited to $1 billion in terms of loans and grants. In the area of financial services, Tunisia will embark on a programme to modernize its economy and to enable private firms to face the progressive liberalization of exchange and investment flows. The EU agreed in 1998 to support this programme with 12.5 million dinars ($1 = 1.162 dinars) over the following three years. The programme involved financing training programmes for executives of Tunisia banks and financial institutions, including the Central Bank. The EU also provided financial support for the Tunisian centre for judicial studies in its programme to modernize Tunisian legislation, including companies' status, tax procedures, international private law, accounting and intellectual and artistic properties.

The association agreements might be viewed as a consolidation of the already strong trade relations between Morocco, Tunisia and the EU. However, they may have positive implications for the African continent. Viewed through the lenses of the variable geometry approach to regional integration, the agreements provide new kinds of external links making commitments to trade liberalization virtually irreversible, which would encourage intra-regional trade and investment in the AMU region, with possible spill- over effects onto other African regions. This is particularly true as the rules of origin contained in the agreements are specifically designed to encourage South-South integration, that is, a minimum transformation of inputs imported from other sources – including African countries – is required for a product to qualify as of Moroccan or Tunisian origin. To realize such potential benefits, transport and communication between AMU and the continent would have to be improved considerably.

4.0 Conclusion

Since its creation, the five countries of AMU have signed more than 30 multilateral agreements covering diverse economic, social and cultural areas. While member countries have ratified varying numbers of these agreements only five agreements have been ratified by all members of the union.

5.0 Summary

Viewed through the lenses of the variable geometry approach to regional integration, the agreements in AMU provide new kinds of external links making commitments to trade liberalization virtually irreversible, which would encourage intra-regional trade and investment in the region, with possible spill- over effects onto other African regions.

6.0 Tutor-Marked Assignment

Mention and analyse at least three constraints on trade within the AMU union?

7.0 References/Further Readings

Population and Urbanization UN Habitat. Retrieved 13 September 2014.

Francesco Tamburini, L'Union du Maghreb Arabe, ovvero l'utopia di una organizzazione regionale africana, en "Africa", N. 3, 2008, p. 405-428

"UMA - Arab Maghreb Union". UN Economic Committee for Africa. Retrieved 13 September 2014.

Bensouiah, Azeddine (26 June 2002). June 2002 "Stunted growth of the Arab Maghreb Union". Panapress.

Aggad, Faten. "The Arab Maghreb Union: Will the Haemorrhage Lead to Demise?" African Insight. 6 April 2004.

http://hdr.undp.org/en/content/human-development-report-2014

Le Quotidien D'Oran. 2003. Le Maghreb en Lambeaux. 23 December 2003. p 1

Le Quotidien D'Oran. 2003. La Libye Dement Avoir Finance un Plan Presume de Coup d'Etat en Mauritanie. 21 December. p 9

External links

Regional economic communities in Africa

Continental African Union

Organization of African Unity (OAU) African Economic Community (AEC)

MODULE 3 REGIONAL INTEGRATION IN AFRICA

INTRODUCTION

In the last module, much has been made concerning the rise of Asia – led by China and India – and the continent's increasingly important role. The announcement by U.S. Secretary of State Hillary Clinton last year that the 21st century would be America's "Pacific Century" further strengthened the belief that the epicentre of 21st century global politics and economics would be located within Asia. And, as has been well-documented, ongoing economic turmoil has also led to growing numbers of Western countries looking at Asia – particularly China and ASEAN – for financial assistance. Module 3 now focuses on Africa and the different regional integrative systems operating in the continent.

UNIT 1 THE CENTRAL AFRICA ECONOMIC AND MONETARY COMMUNITY (CEMAC)

CONTENTS

1.0 INTRODUCTION

The 1980 Final Act of Lagos was the first continent-wide effort by the African governments towards regional integration through forging a comprehensive unified approach to economic development. The drive towards regional integration was given a further boost in 1991 with the adoption, by the OAU summit, of the Abuja Treaty establishing the African Economic Community (AEC), which stipulated a stage by stage *modus operandi* that must be put in place to achieve this goal.

2.0 OBJECTIVES

At the end of this unit you should be able to:

a. Explain the origin of Regional Integration in Africa
b. Give a background history of the formation of CEMAC and its operations

3.0 Main Content

3.1 Regional Integration in Africa

African leaders have long recognized the significant opportunities presented by a regional approach to development and have supported regional efforts for many years to sustain advances made in economic policy reform and democratic governance. With the current challenges of debt crisis, regional integration in Africa is no longer a subject of academic debate or mere political expression; it is an imperative if the goals of integrated economic development and a debt-free continent are to be realized. The 1980 Final Act of Lagos was the first continent-wide effort by the African governments towards regional integration through forging a comprehensive unified approach to economic development. The drive towards regional integration was given a further boost in 1991 with the adoption, by the OAU summit, of the Abuja Treaty establishing the African Economic Community (AEC), which stipulated a stage by stage *modus operandi* that must be put in place to achieve this goal. First, is the strengthening of existing sub-regional economic groupings and establishing new ones where deemed desirable. Second is the consolidation of tariff and non-tariff barriers as well as the strengthening of sectoral integration at the continental level. And, this is the promotion of the coordination and harmonization among the existing and future economic groupings for a gradual establishment of an African Common Market. To this end, it authorized the drafting of the treaty for the establishment of the African Economic Community whose aims is to promote collective and accelerated selfreliant and self-sustaining development cooperation among the states and their integration in the economic, social and cultural fields. That treaty was subsequently signed in Abuja in June 1991.

So far, the African Economic Community (AEC) has established direct working relations with the Economic Community of West African States (ECOWAS) in the West African region, the Economic Community of Central African States (ECCAS) in the Central region. In the Southern African Region the AEC has been dealing with the Southern African Development Community (SADC) and the East Africa with the East Africa Community (EAC) as well as Common Market for East and Southern Africa (COMESA). In North Africa, there is the Arab Maghreb Union (UMA) that has no direct contact with the AEC, so far. Apart from these Regional Economic Communities (RECs), there are other groupings like the Economic and Monetary Union of West Africa (UEMOA) and the Customs and Economic Union of Central Africa (UDEAC), all of which are engaged in the promotion of integration. All these organizations were already in existence and operating when the AEC Treaty was signed in Abuja in June 1991.

In examining past experiences and present orientation with regard to regional integration, it is in fact very difficult in the space of a sub-section of a chapter. We would however select a number of integration schemes, most especially in the different regions of Africa with the aim of drawing policy lessons for advancing the processes of economic cooperation and regional integration.

An overall assessment of Africa's experience with regional integration reveals, however, that regional integration and cooperation groupings have achieved limited success (African Development Report 2000). While the existence of informal border trade between countries is acknowledged, the consensus is that there has been no significant increase in inter-regional trade as a percentage of total exports of member countries between 1970 and 1 990s, intra-regional trade as a percentage of total exports of member has actually declined in all major regional groupings with the exception of Arab Maghreb Union (AMLI), ECOWAS and WAEMU's predecessor, the West African Economic Community (CEAO). In these three cases, intra-regional trade has increased marginally by a range of between 1.4 and 4.9 percentage points. While intra-regional trade remained stagnant, the continent also experienced increased marginalization in international trade. This is visible in its shares of exports and output in the world and in the developing community. Africa's share in global exports fell from 4.5 percent in 1977 o 2 percent in 1997 (in current dollar terms), in contrast with the fact that developing countries as a whole increased their presence in world trade. Similarly, the share of exports in total developing regions export dropped from 15.5 percent in 1981 to 10 percent in 1997 (World Development indicators, 1999).

Also evident is the failure of Africa's regional economic groupings to attract Foreign Direct Investment (FDI). By enlarging markets, improving the proximity to resources inputs, and increasing the potential output size of the firm, integration is expected to play an instrumental role in attracting investment, but, despite the creation of numerous regional economic groupings, Africa's share in global private capital flows decline gradually up to the latter half of the 1980s, from which time the speed of marginalization in world investment became alarming. With the collapse in oil prices in the first half of the 1980s, FDI flows to Africa halted almost at once. Its share in the total FDI flows to developing countries in 1997 was 4.7 percent as opposed to 23 percent in 1970 (WDI, 1999).

The factors responsible for the limited results achieved to date are normally grouped into three categories. The structural characteristics of the integrating economies and regions can be placed in one category of factors militating against successful regional integration. Design deficiencies belong to the second category; while implementation constitutes the third category. The relevance and significance of these factors are perhaps, more easily grasped against the experience of individual regional schemes and their specific formulation. The regional integration arrangement in Central Africa are the Central African Monetary and Economic Community (CEMAC) formerly known as the Central African Customs and Economic Union (UDEAC), the Economic Community of the countries of the Great Lakes (CEPGL), and the Economic Community of Central African States (ECCAS).

SELF ASSESSMENT EXERCISE
What are the structural characteristics of CEMAC?
Outline the regional integration communities of Africa.

3.2 The Central African Economic and Monetary Community (CEMAC)
The Central African Economic and Monetary Community (CEMAC) was founded in 1998 to replace the Central African Customs and Economic Union (UDEAC). It has the same six members states as UDEAC (Cameroon, Chad, Central African Republic (CAR), Congo, Gabon and Equatorial Guinea) established in 1964, UDEAC was an outgrowth of the equatorial customs union (Union Donaniere Equatorials or UDEAC), which was initially created by former French colonies in Central Africa to facilitate economic cooperation among themselves. The objective of UDEAC was to create a customs union with a common external tariff (CET) and subsequently a monetary union, as part of the Franc zone which has been in existence since 1948.

On trade, the arrangements established by UDEAC included a CET and a single tax (Tax Unique or TU). The CET regulates extra-regional trade. There are also various non-tariff barriers under national jurisdiction. The CET was established at the creation of UDEAC and reformed in 1994. The CET concerned only import duties as specified by article 34 of the UDEAC accord. Export taxes are within the national jurisdiction. The essential flair in the conception of the CET was the possibility given to member states to adjust taxes not covered by the CET and thereby ensure differential protection. Although this possibility was meant to be temporary, no date was set for its removal. The tax unique (I'U) was put in place at the creation of the UDE and aimed at fostering regional industrial production and trade in manufactured goods. The instrument employed for this purpose is reduction of domestic and import taxes on regionally — produced goods relative to — regional goods. This replaced all other domestic indirect taxes and import duties for industrial products sold in the region by registered firms. It was paid at the frontier by the importer. For domestic sales, it was paid directly by the producer. To export within the region, firms were required to have TU status, All UDEAC member states were obliged to allow goods produced by TU-registered firms to circulate freely, as long as the TU was paid, while applying the CET on imports of regional goods produced by non-TU firms. The TU regime was, however, abolished in 1994 — when UDEAC was reformed.

On the monetary side TIDEAC and CEMAC have had a fixed exchange rate n the regional currency (the CFA franc) and the French franc (now linked to the euro); the pooling of foreign reserves in an account at the French Treasury; full convertibility of CFA franc to French franc (now to euro), and henceforth to any convertible currency; and a common central bank (Bank of Central African States). Before its transformation to CEMAC, UDEAC has not succeeded in increasing intra-regional trade. Trade between member countries had declined from 5 percent in 1970 to about 2 percent in the mid-1990s (ADR, 2000). The existence of a monetary union, which implies free mobility of capital, has not been sufficient to increase trade flows. Low intra-regional trade is also the result of trade barriers as well as the narrow export basket of member countries. The pattern of trade in the region is highly influenced by that of the relatively— off oil exporting countries in the group (Cameroon, Congo, and Gabon). In Congo, the economy relies extensively on oil, which account for 47 percent of GDP, and ‘2 percent of total export earnings. A similar pattern is found in Gabon with 44 percent and 66 percent respectively.

Cameroon, however, is the only member that has achieved a measure of success in deve1oping its agricultural and industrial bases together with its oil production. Cameroon accounts for almost half of the total UDEAC/CEMAC GDP. All member states increased their trade with Cameroon after the creation of UDEAC. Trade with Economic Community of West African States (ECOWAS) countries is larger than intra-regional trade. Gabon trades more with Nigeria and Cote d’Ivoire than with member states of the union. Over 65 percent of its trade on the African continent is with those two countries. A similar pattern is found for Cameroon with 45 percent of its trade on the continent being with Cote d’Ivoire, Guinea and Nigeria combined. The smaller countries in the union, namely CAR, Chad, and Equatorial Guinea, have over 90 percent of their trade within the union

3.3 The Economic Community of the Great Lakes Countries (ECGLC)

The Economic Community of the Great Lakes Countries (ECGLC) scheme was established in 1976 and comprises Burundi, Rwanda and Congo Democratic Report bloc. The objectives of the Union were the removal of trade barrier, free movement of labour and cooperation in the development and implementation of joint project. None of these objectives has been achieved (ADR, 2000). Intra-ECGLC trade remains very low and the regions share in Africa’s trade negligible. Member countries have very low per capita income and are presently experiencing serious socio-political instability. There is, therefore, little possibility of increased trade in the union in the short term.

SELF ASSESSMENT EXERCISE

What is the full meaning of UDEAC?

3.4 The Economic Community of Central African States (ECCAS)

The treaty instituting the Economic Community of Central African States (ECCAS) was adopted in 1983 with the objective of establishing a customs union and harmonizing policies to promote joint development activities in several sectors. Members of the union are Angola, Burundi, Cameroon, Central African Republic, Chad, Congo Democratic Republic, Equatorial Guinea, Gabon., Rwanda, Sao Tome and Principe. After a long period of inactivity, the ECCAS members held a three-day meeting in Equatorial Guinea in early 1999 to discuss the integration programme in the pertinent issues addressed in the meeting included the re-establishment of peace and stability in the region and reform of the integration institutions.

History

Customs and Economic Union of Central Africa

The Customs and Economic Union of Central Africa (or UDEAC from its name in French, Union Douanière et Économique de l'Afrique Centrale), (in Spanish: Unión Aduanera y Económica de África Central, UAEAC), (in Portuguese: União Aduaneira e Económica da África Central, UAEAC), established by the Brazzaville Treaty in 1964, formed a customs union with free trade between members and a common external tariff for imports from other countries. The treaty became effective in 1966 after it was ratified by the then five member countries—Cameroon, the Central African Republic, Chad, the Republic of Congo, and Gabon. Equatorial Guinea joined the Union on 19 December 1983. UDEAC signed a treaty for the establishment of an Economic and Monetary Community of Central Africa (CEMAC) to promote the entire process of sub-regional integration through the forming of monetary union with the Central Africa CFA franc as a common currency; it was officially superseded by CEMAC in June 1999 (through agreement from 1994). To date CEMAC has not achieved its objective of creating a customs union.

Foundation

At a summit meeting in December 1981, the leaders of the UDEAC agreed in principle to form a wider economic community of Central African states. ECCAS was established on 18 October 1983 by the UDEAC members, São Tomé and Príncipe and the members of the Economic Community of the Great Lakes States (CEPGL established in 1976 by the DR Congo, Burundi and Rwanda). Angola remained an observer until 1999, when it became a full member.

ECCAS began functioning in 1985, but was inactive for several years because of financial difficulties (non-payment of membership fees by the member states) and the conflict in the Great Lakes area. The war in the DR Congo was particularly divisive, as Rwanda and Angola fought on opposing sides. ECCAS has been designated a pillar of the African Economic Community (AEC), but formal contact between the AEC and ECCAS was only established in October 1999 due to the inactivity of ECCAS since 1992 (ECCAS signed the Protocol on Relations between the AEC and the regional blocs (RECs) in October 1999). The AEC again confirmed the importance of ECCAS as the major economic community in Central Africa at the third preparatory meeting of its Economic and Social Council (ECOSOC) in June 1999.

Presided over by President Pierre Buyoya of Burundi, the summit was held in Libreville on 6 February 1998. The Heads of State and Government present at the summit committed themselves to the resurrection of the organisation. The Prime Minister of Angola also indicated that his country would become a fully fledged member. The summit approved a budget of 10 million French francs for 1998 and requested the Secretariat to:

Obtain assistance from UNECA to evaluate the operational activities of the secretariat; to evaluate the contributions due by member states; and the salaries and salary structures of employees of the secretariat. Convene an extraordinary meeting of the Council of Ministers as soon as possible to evaluate the recommendations of UNECA;

the Council should then draw up proposals for a new administrative structure for the secretariat and revised contributions due by each member state. The summit also requested countries in the region to find lasting and peaceful solutions to their political problems. The chairman also appealed to member countries to support the complete lifting of the embargo placed on his country. During the inauguration of President Bongo of Gabon on 21 January 1999, a mini-summit of ECCAS leaders was held. The leaders discussed problems concerning the functioning of ECCAS and the creation of a third Deputy Secretary-General post designated for Angola. Angola formally joined the Community during this summit.

Recent events

The 10th Ordinary Session of Heads of State and Government took place in Malabo in June 2002. This Summit decided to adopt a protocol on the establishment of a Network of Parliamentarians of Central Africa (REPAC) and to adopt the standing orders of the Council for Peace and Security in Central Africa (COPAX), including the Defence and Security Commission (CDC), Multinational Force of Central Africa (FOMAC) and the Early Warning Mechanism of Central Africa (MARAC). Rwanda was also officially welcomed upon its return as a full member of ECCAS.

On January 24, 2003, the European Union (EU) concluded a financial agreement with ECCAS and CEMAC, conditional on ECCAS and CEMAC merging into one organization, with ECCAS taking responsibility for the peace and security of the sub-region through its security pact COPAX. CEMAC is not one of the pillars of the African Economic Community, but its members are associated with it through Economic Community of Central African States. The EU had multiple peacekeeping missions in the DR Congo: Operation Artemis (June to September 2003), EUPOL Kinshasa (from October 2003) and EUSEC DR Congo (from May 2005).

The 11th Ordinary Session of Heads of State and Government in Brazzaville during January 2004 welcomed the fact that the Protocol Relating to the Establishment of a Council for Peace and Security in Central Africa (COPAX) had received the required number of ratifications to enter into force. The Summit also adopted a declaration on the implementation of NEPAD in Central Africa as well as a declaration on gender equality.

On September 23, 2009, pursuant to Presidential Determination 2009-26 and as published in the Federal Register / Vol. 74, No. 183 (Presidential Documents 48363) ECCAS was made eligible under the U.S. Arms Export Control Act for the furnishing of defense articles and defense services. This makes the ECCAS organization and (theoretically) the countries under their charter eligible for U.S. Foreign Military Sales Program (i.e. government to government sales and assistance) pursuant to the Arms Export Control Act and for other such U.S. assistance as directed by a USG contract to U.S. industry for such support pursuant to the (ITAR).

In 2007, Rwanda decided to leave the organization in order to remove overlap in its membership in regional trade blocks and so that it could better focus on its membership in the EAC and COMESA. Rwanda was a founding member of the organisation and had been a part of it since 18 October 1981.

Economic integration
Economic and Monetary Community of Central Africa
The Economic and Monetary Community of Central Africa (or CEMAC from its name in French: Communauté Économique et Monétaire de l'Afrique Centrale, in Spanish: Comunidad Económica y Monetaria de África Central, and in Portuguese: Comunidade Económica e Monetária da África Central) is an organization of states of Central Africa established by Cameroon, Central African Republic, Chad, Republic of Congo, Equatorial Guinea and Gabon to promote economic integration among countries that share a common currency, the CFA franc. UDEAC signed a treaty for the establishment of CEMAC to promote the entire process of sub-regional integration through the forming of monetary union with the Central Africa CFA franc as a common currency; it was officially superseded by CEMAC in June 1999 (through agreement from 1994).

CEMAC's objectives are the promotion of trade, the institution of a genuine common market, and greater solidarity among peoples and towards under-privileged countries and regions. In 1994, it succeeded in introducing quota restrictions and reductions in the range and amount of tariffs. Currently, CEMAC countries share a common financial, regulatory, and legal structure, and maintain a common external tariff on imports from non-CEMAC countries. In theory, tariffs have been eliminated on trade within CEMAC, but full implementation of this has been delayed. Movement of capital within CEMAC is free.

The ultimate goal is to establish a Central African Common Market. At the Malabo Heads of State and Government Conference in 1999, four priority fields for the organization were identified:

- to develop capacities to maintain peace, security and stability - as essential prerequisites for economic and social development
- to develop physical, economic and monetary integration
- to develop a culture of human integration
- to establish an autonomous financing mechanism for ECCAS

Structure
Conference of Heads of State and Government
Council of Ministers
Secretariat General (one secretary-general elected for four years and three assistant secretaries-general)
Court of Justice
Consultative Commission

Treaties and protocols
Treaty Establishing the Economic Community of Central African States (ECCAS)
Protocol Establishing the Network of Parliamentarians of ECCAS (REPAC)
Mutual Assistance Pact between Member States of ECCAS
Protocol Relating to the Establishment of a Mutual Security Pact in Central Africa (COPAX)

Peace and security activities
Central African states adopted a pact of non-aggression at the end of the fifth meeting of the UN Consultative Committee on Security in Central Africa held in Yaoundé,

Cameroon. The pact, adopted on 9 September 1994, was arrived at after five days of meeting and discussions between military experts and ministers of Cameroon, Central African Republic, Republic of Congo, Equatorial Guinea, Gabon and São Tomé and Príncipe. At a summit conference of the United Nations Standing Advisory Committee on Security Questions in Central Africa which took place in Yaoundé on 25–26 February 1999, member states decided to create an organisation for the promotion, maintenance and consolidation of peace and security in Central Africa, which would be called the Council for Peace and Security in Central Africa (COPAX). The COPAX Protocol has now entered into force.

Technical organs of the COPAX council

The Central African Early-Warning System (MARAC), which collects and analyses data for the early detection and prevention of crises.

The Defence and Security Commission (CDS), which is the meeting of chiefs of staff of national armies and commanders-in-chief of police and gendarmerie forces from the different member states. Its role is to plan, organize and provide advice to the decision-making bodies of the community in order to initiate military operations if needed.

The Multinational Force of Central Africa (FOMAC) which is a non-permanent force consisting of military contingents from member states whose purpose is to accomplish missions of peace, security and humanitarian relief. The standing orders for COPAX, including those of CDS, MARAC and FOMAC were adopted in June 2002 at the 10th Ordinary Summit in Malabo.

In January 2000, Gabon hosted a regional peacekeeping exercise "Gabon 2000" with the objective of increasing the capacity of ECCAS states in the field of peacekeeping and conflict prevention and management. This exercise represented a direct application of the French RECAMP-concept (reinforcement of African peacekeeping capacities).

Extraordinary Summits of both ECCAS and CEMAC took place in Libreville on 23 June 2000. Foreign ministers from 10 Central African states met in the Democratic Republic of Congo on 16 and 17 August 2001 to discuss security in their war-torn region. The meeting was sponsored by the United Nations, and only Rwanda declined to attend.

A meeting of Defence Chiefs of Staff was held in Brazzaville in October 2003, at which it was decided that a brigade-size peacekeeping force would be created in order to intervene in unstable Central African areas.[11] This could then form one of the African Union's five planned brigades of the African Standby Force, one brigade for each region (North, West, Central, East and Southern Africa). The meeting recommended that military planners from each of the ECCAS states form a group to work out the details for the force. They also suggested the establishment of a joint peacekeeping training centre and military exercises every two years. The first of these is to take place in Chad.

MICOPAX

The Mission for the consolidation of peace in Central African Republic (MICOPAX) is a peace operation in the Central African Republic led by the ECCAS.[12] It's involved in the Central African Republic Bush War and 2012–2013 Central African Republic conflict.

Appendices to the ECCAS Treaty

Protocol on the Rules of Origin for products to be traded between member states of the ECCAS
Protocol on Non-Tariff Trade Barriers
Protocol on the Re-export of goods within the ECCAS
Protocol on Transit and Transit facilities
Protocol on Customs cooperation within the ECCAS
Protocol on the Fund for Compensation for Loss of Revenue
Protocol on Freedom of movement and Rights of Establishment of nationals of member states within the ECCAS
Protocol on the Clearing House for the ECCAS
Protocol on Cooperation in Agricultural development between member states of the ECCAS
Protocol on Cooperation in Industrial development between member states of the ECCAS
Protocol on Cooperation in Transport and Communications between member states of the ECCAS
Protocol on Cooperation in Science and Technology between member states of the ECCAS
Protocol on Energy cooperation between member states of the ECCAS
Protocol on Cooperation in Natural resources between member states of the ECCAS
Protocol on Cooperation in the development of Human resources, Education, Training and Culture between member states of the ECCAS
Protocol on Cooperation in Tourism between member states of the ECCAS
Protocol on the Simplification and Harmonization of Trade documents and Procedures within the ECCAS
Protocol on the Situation of Landlocked, Semi-Landlocked, Island, Part-Island and/or Least Advanced Countries

Apart from structural weakness which characterizes the Central African region, progress with regional integration is hindered by political instability and armed conflicts over the period 1990-1998 the average GDP growth of UDEAC members was only 0.9 percent, implying a decline of per capita income of about 2.1 percent per annum. Conditions were even worse in the smaller ECGLC group, where average GDP growth deteriorated by 3.1 percent between 1990 and 1998, implying a more than 6 percent decline in per capita income per annum (ADR, 2000).
However, because of economic activity and trade patterns depicted by those of the exporting countries in the region (Cameroon, Congo and Gabon), growth prospects y slightly improve in view of the rebound in oil prices. Importantly, conflict resolution in the establishment of peace and security in the region are fundamental conditions for .he resumption of economic activity and progress within their scheme of regional integration.

4.0 Conclusion

An overall assessment of Africa's experience with regional integration reveals, however, that regional integration and cooperation groupings have achieved limited success (African Development Report 2000). While the existence of informal border trade between countries is acknowledged, the consensus is that there has been no significant increase in inter-regional trade as a percentage of total exports of member countries between 1970 and 1 990s, intra-regional trade as a percentage of total exports of member has actually declined in all major regional groupings with the exception of Arab Maghreb Union (AMLI), ECOWAS and WAEMU's predecessor, the West African Economic Community (CEAO).

5.0 Summary

Apart from structural weakness which characterizes the Central African region, progress with regional integration is hindered by political instability and armed conflicts over the period 1990-1998 the average GDP growth of UDEAC members was only 0.9 percent, implying a decline of per capita income of about 2.1 percent per annum. Conditions were even worse in the smaller ECGLC group, where average GDP growth deteriorated by 3.1 percent between 1990 and 1998, implying a more than 6 percent decline in per capita income per annum (ADR, 2000).

6.0 Tutor-Marked Assignment

What is the full meaning of MICOPAX?

7.0 References

"Traité instituant une Union douanière et économique de l'Afrique centrale" (PDF) (in French). CEMAC. Retrieved 22 July 2012.
"CEMAC EN BREF" (in French). CEMAC. Retrieved 22 July 2012.
Alen Angok. "PRÉSENTATION". Ge-Infonet (in French). Retrieved 22 July 2012.
http://edocket.access.gpo.gov/2009/E9-23086.htm
"SADC, COMESA and the EAC: Conflicting regional and trade agendas". Institute for Global Dialogue. October 2008. Retrieved 7 May 2011.
CEMAC website
CEMAC Treaty (in French)
Communauté Économique et Monétaire de l'Afrique Centrale (CEMAC)
"National Trade Estimates Report – Cameroon" US Fed News, 31 March 2006
"Etats Membres". Economic Community of Central African States. Archived from the original on 2013-08-24.
UK House of Commons, House of Commons Written Answers 28 April 2004, part 37, accessed March 2009
"MICOPAX". EuropeAid – European Commission. 2012-05-15.

UNIT 2 REGIONAL INTEGRATION IN SOUTHERN AFRICA

CONTENTS

1.0 INTRODUCTION

Unit 1 examined the history and the formation of regional integration in East and Central Africa with its attendant challenges. We shall examine regional integration in South Africa in this unit.

2.0 OBJECTIVES

At the end of this unit, students should be able to:

a. Name the member states that make up SADC
b. Mention its institutions and give a background history of it formation.
c. Analyse its successes and challenges.

3.0 Main Content

3.1 Southern African Development Community (SADC)

The Southern African Development Community (SADC) is an inter-governmental organization headquartered in Gaborone, Botswana. Its goal is to further socio-economic cooperation and integration as well as political and security cooperation among 15 southern African states. It complements the role of the African Union.

SADC has 15 member states:

Angola
Botswana
Democratic Republic of the Congo – since 8 September 1997
Lesotho
Madagascar – membership reinstated on 30 January 2014 after an imposed suspension in 2009
Malawi
Mauritius – since 28 August 1995
Mozambique
Namibia – since 21 March 1990 (since independence)
Seychelles – also previously a member of SADC from 8 September 1997 until 1 July 2004 then joined again in 2008.
South Africa – since 30 August 1994
Swaziland
Tanzania
Zambia
Zimbabwe

History
The origins of SADC lie in the 1960s and 1970s, when the leaders of majority-ruled countries and national liberation movements coordinated their political, diplomatic and military struggles to bring an end to colonial and white-minority rule in southern Africa. The immediate forerunner of the political and security cooperation leg of today's SADC was the informal Frontline States (FLS) grouping. It was formed in 1980. The Southern African Development Coordination Conference (SADCC) was the forerunner of the socio-economic cooperation leg of today's SADC. The adoption by nine majority-ruled southern African countries of the Lusaka declaration on 1 April 1980 paved the way for the formal establishment of SADCC in April 1980.

Membership of the FLS and SADCC sometimes differed.
SADCC was transformed into SADC on 17 August 1992, with the adoption by the founding members of SADCC and newly independent Namibia of the Windhoek declaration and treaty establishing SADC. The 1992 SADC provided for both socio-economic cooperation and political and security cooperation. In reality, the FLS was dissolved only in 1994, after South Africa's first democratic elections. Subsequent efforts to place political and security cooperation on a firm institutional footing under SADC's umbrella failed.

On 14 August 2001, the 1992 SADC treaty was amended. The amendment heralded the overhaul of the structures, policies and procedures of SADC, a process which is ongoing. One of the changes is that political and security cooperation is institutionalised in the Organ on Politics, Defence and Security (OPDS). One of the principal SADC bodies, it is subject to the oversight of the organisation's supreme body, the Summit, which comprises the heads of state or government.

The organisation holds its own multi-sport event in the form of the SADC Games, which was first held in 2004 in Maputo. Originally planned for an earlier date in Malawi and Lesotho, organisational issues led to abandonment of the plan and the SADC issuing a fine of $100,000 against Malawi. The first event in 2004 in Maputo resulted in over 1000 youths under-20 from 10 countries taking part in a sports programme including athletics, football, netball, boxing and basketball.

SADC Protocols
SADC has 27 legally binding protocols dealing with issues such as Defence, Development, Illicit Drug Trade, Free Trade and Movement of People. Protocol on Energy (1996) - Intended to promote harmonious development of national energy policies. These development strategies set out tangible objectives for SADC and its Member States for infrastructure development in energy and its subsectors of wood fuel, petroleum and natural gas, electricity, goal, renewable energy, and energy efficiency and conservation. Protocol on Gender and Development - Member states are urged to accelerate implementation efforts towards the achievements of concrete and transformative changes in the lives of women and girls in our region. H.E. President Mutharika also expressed concern on the escalating incidents of gender based violence in the region especially those perpetrated against women and girls, and used this occasion to sign a commitment to end child marriages, as part of the AU campaign to end Child Marriages in Africa.

SADC FTA
The SADC Free Trade Area was established in August 2008, after the implementation of the SADC Protocol on Trade in 2000 laid the foundation for its formation.[7][8] Its original members were Botswana, Lesotho, Madagascar, Mauritius, Mozambique, Namibia, South Africa, Swaziland, Tanzania, Zambia and Zimbabwe, with Malawi joining later. Of the 15 SADC member states, only Angola, the Democratic Republic of Congo and Seychelles are not yet participating.

On Wednesday 22 October 2008, SADC joined with the Common Market for Eastern and Southern Africa and the East African Community to form the African Free Trade Zone, including all members of each of the organizations. The leaders of the three trading blocs agreed to create a single free trade zone, the African Free Trade Zone, consisting of 26 countries with a GDP of an estimated $624bn (£382.9bn). It is hoped the African Free Trade Zone agreement would ease access to markets within the zone and end problems arising from the fact that several of the member countries belong to multiple groups. The African Free Trade Zone effective has been more than a hundred years in the making--a trade zone spanning the whole African continent from Cape to Cairo and envisioned by Cecil Rhodes and other British imperialists in the 1890s. The only difference is that the African Free Trade Zone is the creation of independent African Countries. The idea is a free trade zone spanning the whole continent from the Cape to Cairo (Cape Town in the Republic of South Africa to Cairo in Egypt).

In addition to eliminating duplicative membership and the problem member states also participating in other regional economic cooperation schemes and regional political and security cooperation schemes that may compete with or undermine each other, the African Free Trade Zone further aims to strengthen the bloc's bargaining power when negotiating international deals

SELF ASSESSMENT EXCERCISE
Mention the members of the African Free Trade Zone

3.2 Challenges facing member countries
SADC countries face many social, development, economic, trade, education, health, diplomatic, defence, security and political challenges. Some of these challenges cannot be tackled effectively by individual members. Cattle diseases and organised-crime gangs know no boundaries. War in one country can suck in its neighbours and damage their economies. The sustainable development that trade could bring is threatened by the existence of different product standards and tariff regimes, weak customs infrastructure and bad roads. The socio-economic and political and security cooperation aims of SADC are equally wide-ranging, and intended to address the various common challenges.

One significant challenge is that member states also participate in other regional economic cooperation schemes and regional political and security cooperation schemes that may compete with or undermine SADC's aims. For example, South Africa and Botswana both belong to the Southern Africa Customs Union, Zambia is a part of the Common Market for Eastern and Southern Africa, and Tanzania is a member of the East African Community.

Aims

SADC's aims are set out in different sources. The sources include the treaty establishing the organisation (SADC treaty); various protocols (other SADC treaties, such as the corruption protocol, the firearms protocol, the OPDS protocol, the health protocol and the education protocol); development and cooperation plans such as the Regional Indicative Strategic Development Plan (RISDP) and the Strategic Indicative Plan of the Organ (SIPO); and declarations such as those on HIV and AIDS and food security. Not all of the pre-2001 treaties and plans have been harmonised with the more detailed and recent plans such as the RISDP and SIPO.

In some areas, mere coordination of national activities and policies is the aim of cooperation. In others, the member states aim at more far-reaching forms of cooperation. For example, on foreign policy the main aim is coordination and cooperation, but in terms of trade and economic policy, a tighter coordination is in progress with a view to one day establishing a common market with common regulatory institutions. The sustainable use of natural resources is commonly shared by member states.

SADC has recently received the top position in a global comparison of indicators of Water Cooperation prepared by international think-tank Strategic Foresight Group. SADC has scored 100 in the Water Cooperation Quotient, which examines active cooperation by riparian countries in the management of water resources using 10 parameters, including legal, political, technical, environmental, economic and institutional aspects. High performance in the Water Cooperation Quotient also means low risk of war between countries in the concerned river basic to reduce economic dependence of SADC countries on South Africa.

SELF ASSESSMENT EXCERCISE

Identify and discuss some of the sources in which some of SADC aims are set.

3.3 Structure and decision-making procedures

The organisation has six principal bodies:

- The Summit, comprising heads of state or heads of government
- Organ on Politics, Defence and Security
- Council of Ministers
- SADC Tribunal
- SADC National Committees (SNCs)
- Secretariat

Except for the Tribunal (based in Windhoek, Namibia), SNCs and Secretariat, decision-making is by consensus.

Leaders

SADC headquarters building in Gaborone, Botswana.

Chairperson

Country	Chairperson	Term
Zambia	Levy Mwanawasa	2007–2008
South Africa	Kgalema Motlanthe	2008–2009
Democratic Republic of the Congo	Joseph Kabila	2009-2010
Namibia	Hage Geingob	2010–2011
Angola	Jose Eduardo dos Santos	2011–2012

Mozambique	Armando Guebuza	2012–2013
Peter Mutharika		2013 – 31 May 2014, 31 May - 17 August 2014
Zimbabwe	Robert Mugabe	2014 – 17 August 2015
Botswana	Seretse Ian Khama	17 August 2015 – Executive Secretary
Zimbabwe	Simba Makoni	1984–1994
Namibia	Kaire Mbuende	1994–2000
Mauritius	Prega Ramsamy	2000–2001 (Acting) 2001–2005
Mozambique	Thomas Salomao	2005–2013
Tanzania	Stergomena Tax	Incumbent

Comparison with other regional blocs

African Economic Community

Pillars

Regional blocs (REC)1		Area (km²)	Population	GDP (PPP) ($US)	
Member states	in millions	per capita			
AEC	29,910,442	853,520,010	2,053,706	2,406	54
ECOWAS	5,112,903	300,000,000	1,322,452	3,888	15
ECCAS	6,667,421	121,245,958	175,928	1,451	11
SADC	9,882,959	233,944,179	737,335	3,152	15
EAC	1,817,945	124,858,568	104,239	1,065	5
COMESA	12,873,957	406,102,471	735,599	1,811	20
IGAD	5,233,604	187,969,775	225,049	1,197	7

Other

African blocs	Area (km²)	Population	GDP (PPP) ($US)		
Member states	in millions	per capita			
CEMAC	23,020,142	34,970,529	85,136 2,435		
SACU	2,693,418	51,055,878	541,433	10,605	5
UEMOA	13,505,375	80,865,222	101,640	1,257	8
UMA	25,782,140	84,185,073	491,276	5,836	5
GAFTA	35,876,960	166,259,603	635,450	3,822	5

1 Economic bloc inside a pillar REC

2 Proposed for pillar REC, but objecting participation

3 Non-African members of GAFTA are excluded from figures smallest value among the blocs compared largest value among the blocs compared During 2004. Source: CIA World Factbook 2005, IMF WEO Database

Timeline

2 November – rail link from Chipata to Mpika proposed, providing shorter access to sea at Nacala.

12 April "Confusion surrounds Mugabe's appearance at crisis meeting"

12 August - Germany commits €300m for development to SADC

Common Market for Eastern and Southern Africa (COMESA)

East African Community (EAC)

Economic Community of Central African States (ECCAS)

Southern African Customs Union (SACU)

Economic Community of West African States (ECOWAS)

4.0 Conclusion

SADC countries face many social, development, economic, trade, education, health, diplomatic, defence, security and political challenges. Some of these challenges cannot be tackled effectively by individual members. Cattle diseases and organised-crime gangs know no boundaries. War in one country can suck in its neighbours and damage their economies.

5.0 Summary

SADC has recently received the top position in a global comparison of indicators of Water Cooperation prepared by international think-tank Strategic Foresight Group. SADC has scored 100 in the Water Cooperation Quotient, which examines active cooperation by riparian countries in the management of water resources using 10 parameters, including legal, political, technical, environmental, economic and institutional aspects.

6.0 Tutor-Marked Assignment

Critically analyse the operations of SADC and compare it to that of ASEAN

7.0 References

"SADC Lifts Madagascar Suspension". SADC. Retrieved 30 January 2014.

Organisation of SADC Games to cost a million dollars. Panapress (2003-05-11) Retrieved on 2014-09-15.

Valy, Bayano (June 2004). The first Under-20 Zone Six SADC Games. SADC Today, Vol.7 No.2 June 2004. Retrieved on 2014-09-15.

Southern African Development Community :: SADC Protocols. Sadc.int. Retrieved on 2013-08-09.

"South African Development Community". www.sadc.int. Retrieved 3 November 2014.

"Southern African Development Community". www.sadc.int. Retrieved 3 November 2014.

"Free Trade Area". Southern African Development Community. Retrieved 14 Mar 2014.

"Southern African Development Community Protocol on Trade" (PDF). Southern African Development Community. 1996. Retrieved 14 Mar 2015.

Mbola, Bathandwa (18 Aug 2008). "SADC launches free trade area". Southafrica.info - Brand South Africa portal website. Retrieved 14 Mar 2015.

"Free Trade Area". Southern African Development Community. Retrieved 14 Mar 2015.

http://news.bbc.co.uk/2/hi/7684903.stm Deep Integration

Water Cooperation for a Secure World, Strategic Foresight Group, http://www.strategicforesight.com/publications.php#.UoW1ZXCnq_Q

Railways Africa – EXTENDING BEYOND CHIPATA

Confusion surrounds Mugabe's appearance at crisis meeting – ABC News (Australian Broadcasting Corporation) "The Southern Times".

UNIT 3 REGIONAL INTEGRATION IN WEST AFRICA (ECOWAS)

CONTENTS

1.0 INTRODUCTION

The previous unit has examined regional integration in Southern Africa, its history, institutions, aims and objective and its achievement and successes. In this unit we will also examine regional integration in West Africa, explore its origins, aims and objectives and find out if it has achieved integration in the West African sub region.

2.0 OBJECTIVE

At the end of this unit, you should be able to:

a. Discuss the nature and origin of ECOWAS
b. Mention the states that are members of the union
c. Identify its obstacles and challenges

3.0 Main Content

3.1 Regional Integration in West Africa

Institutional Background

The Economic Community of West African States (ECOWAS) was formally established in May 1975 by the ECOWAS Treaty. In 1993, the ECOWAS Treaty was revised to accelerate the process of integration and establish an economic and monetary union to stimulate economic growth and development in West Africa with the following objectives: (i) the removal of customs duties for intra-ECOWAS trade and taxes having equivalent effect, (ii) the establishment of a common external tariff; (iii) the harmonization of economic and financial policies; and (iv) the creation of a single monetary zone. As Mauritania decided to withdraw in 1999, ECOWAS is now a regional grouping of fifteen countries (including the eight WAEMU country members): Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo.

The **Economic Community of West African States** (**ECOWAS**; French: *Communauté économique des États de l'Afrique de l'Ouest*, **CEDEAO**) is a regional group of fifteen West African countries. Founded on 28 May 1975, with the signing of the Treaty of Lagos, its mission is to promote economic integration across the region.

Considered one of the pillars of the African Economic Community, the organization was founded in order to achieve "collective self-sufficiency" for its member states by creating a single large trading bloc through an economic and trading union. It also serves as a peacekeeping force in the region. The organization operates officially in three co-equal languages—French, English, and Portuguese.

The ECOWAS consists of two institutions to implement policies—the ECOWAS Commission and the ECOWAS Bank for Investment and Development, formerly known as the Fund for Cooperation until it was renamed in 2001.

A few members of the organization have come and gone over the years. In 1976 Cape Verde joined ECOWAS, and in December 2000 Mauritania withdrew, having announced its intention to do so in December 1999.

Regional security cooperation

See also: Economic Community of West African States Monitoring Group

The ECOWAS nations assigned a non-aggression protocol in 1990 along with two earlier agreements in 1978 and 1981. They also signed a Protocol on Mutual Defence Assistance in Freetown, Sierra Leone, on 29 May 1981 that provided for the establishment of an Allied Armed Force of the Community.

Expanded ECOWAS Commission

For the third time since its inception in 1975, ECOWAS is undergoing institutional reforms. The first was when it revised its treaty on 24 July 1993; the second was in 2007, when the Secretariat was transformed into a Commission. As of July 2013, ECOWAS now has six new departments (Human Resources Management; Education, Science and Culture; Energy and Mines; Telecommunications and IT; Industry and Private Sector Promotion. Finance and Administration to Sierra Leone has been decoupled, to give the incoming Ghana Commissioner the new portfolio of Administration and Conferences)

The Community Court of Justice

The ECOWAS Community Court of Justice was created by a protocol signed in 1991 and was later included in Article 6 of the Revised Treaty of the Community in 1993. However, the Court did not officially begin operations until the 1991 protocol came into effect on 5 November 1996. The jurisdiction of the court is outlined in Article 9 and Articles 76 of the Revised Treaty and allows rulings on disputes between states over interpretations of the Revised Treaty. It also provides the ECOWAS Council with advisory opinions on legal issues (Article 10). Like its companion courts the European Court of Human Rights and East African Court of Justice, it has jurisdiction to rule on fundamental human rights breaches.

Sporting and cultural exchange

ECOWAS nations organize a broad array of cultural and sports event under the auspices of the body, including the CEDEAO Cup in football, the 2012 ECOWAS Games and the Miss CEDEAO beauty pageant.

Economic integration

West African Economic and Monetary Union

UEMOA
WAMZ
ECOWAS only (Cape Verde)

The West African Economic and Monetary Union (also known as UEMOA from its name in French, *Union économique et monétaire ouest-africaine*) is an organization of eight West African states. It was established to promote economic integration among countries that share the CFA franc as a common currency. UEMOA was created by a Treaty signed at Dakar, Senegal, on 10 January 1994, by the heads of state and governments of Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal, and Togo. On 2 May 1997, Guinea-Bissau, a former Portuguese colony, became the organization's eighth (and only non-Francophone) member state.

UEMOA is a customs union and currency union between the members of ECOWAS. Its objectives include the following:

- Greater economic competitiveness, through open markets, in addition to the rationalization and harmonization of the legal environment
- The convergence of macro-economic policies and indicators
- The creation of a common market
- The coordination of sectoral policies
- The harmonization of fiscal policies

Among its achievements, the UEMOA has successfully implemented macro-economic convergence criteria and an effective surveillance mechanism. It has adopted a customs union and common external tariff and has combined indirect taxation regulations, in addition to initiating regional structural and sectoral policies. A September 2002 IMF survey cited the UEMOA as "the furthest along the path toward integration" of all the regional groupings in Africa.

ECOWAS and UEMOA have developed a common plan of action on trade liberalization and macroeconomic policy convergence. The organizations have also agreed on common rules of origin to enhance trade, and ECOWAS has agreed to adopt UEMOA's customs declaration forms and compensation mechanisms.

Membership

ECOWAS Bank for Investment and Development headquarters in Lome.

- Benin (Founding Member)
- Burkina Faso (Founding Member)
- Ivory Coast (Founding Member)
- Guinea-Bissau (Joined on 2 May 1997)
- Mali (Founding Member)
- Niger (Founding Member)

- Senegal (Founding Member)
- Togo (Founding Member)

West African Monetary Zone

See also: Eco (currency)

Formed in 2000, the West African Monetary Zone (WAMZ) is a group of six countries within ECOWAS that plan to introduce a common currency, the Eco, by the year 2015. The six member states of WAMZ are Gambia, Ghana, Guinea, Nigeria and Sierra Leone who founded the organisation together in 2000 and Liberia who joined on 16 February 2010. Apart from Guinea, which is Francophone, they are all English speaking countries. Along with Mauritania, Guinea opted out of the CFA franc currency shared by all other former French colonies in West and Central Africa.

The WAMZ attempts to establish a strong stable currency to rival the CFA franc, whose exchange rate is tied to that of the Euro and is guaranteed by the French Treasury. The eventual goal is for the CFA franc and Eco to merge, giving all of West and Central Africa a single, stable currency. The launch of the new currency is being developed by the West African Monetary Institute based in Accra, Ghana.

Membership

- Gambia (Founding Member)
- Ghana (Founding Member)
- Guinea (Founding Member)
- Liberia (Joined on 16 February 2010)
- Nigeria (Founding Member)
- Sierra Leone (Founding Member)

Transport

Main article: ECOWAS rail

A Trans-ECOWAS project, established in 2007, plans to upgrade railways in this zone.

ECOWAS Institutions

ECOWAS institutional design is loosely patterned after the European Union. Besides the Executive Secretariat, ECOWAS institutions include: The Authority of Heads of State and Government led by the President of Senegal for 2002, a Council of Ministers, a Fund for Cooperation, Compensation and Development. Other Institutions include a Parliament, an Economic and Social Council and a Court of Justice.

Economic Background

The ECOWAS region had a population of 245 million in 2002 with a dominant Nigeria economy, counting for half of the population and half of the regional aggregate GDP. It consists broadly of two distinct zones – a Sahelian zone, largely landlocked, and a more humid, forested coastal zone. Besides, this geographic specificity, eight ECOWAS members also belong to WAEMU, a customs and monetary union. ECOWAS's exports are mostly comprised of a limited range of agricultural commodities. This reliance on internationally traded commodities leaves ECOWAS countries vulnerable to the external shocks of international market price fluctuations. Since all countries but Nigeria are net oil importers, fluctuations in oil prices on the import side are often combined with commodity price shocks on the export side. Manufactured exports are negligible. Intra-regional trade as a share of total trade remains marginal, at some 10 percent reflecting the lack of complementarities of the economies.

The ECOWAS sub-region has benefited from the improvement of performance achieved in the WAEMU zone during 1994-1998 after the positive impact of the devaluation of the CFA franc in 1994.
However, beginning in 1998, the economic performance of the sub-region as a whole has weakened, primarily because of a sharp decline in the terms of trade (-3.3% in 1999), and political uncertainties in several countries, notably Côte d'Ivoire. Growth resumed since 2000 with a growth rate of 2.6% and 3.5% in 2001. It was estimated at 0.9% in 2002.

ECOWAS Selected Economic Indicators	2001	2002	2003
Population (million)	239.6	245.0	250.0
GDP (US$ billion)	79.2	88.2	109.0
GDP growth (%)	3.5	1.8	6.7
DGP per capita (US$)	314.0	312.3	326.1
Fiscal deficit/GDP (%)	3.8	4.5	2.6
Inflation (CPI, %)	4.4	3.1	3.2
Export growth	2.5	-5.8	20.2

ECOWAS Selected Social Indicators (latest year available 1997-03)	ECOWAS	SSA
Life expectancy	46	46
Literacy rate (%)	62	65
Infant mortality (%)	105	103
Access to improved water (%)	63	58
Gross primary enrollment (%)	86	87
Male	95	94
Female	76	80

SELF ASSESSMENT EXCERCISE
In what year was ECOWAS formed and who were the founding fathers?

3.2 West African experience with Regional Integration

Although the concepts and practice of regional integration and cooperation as they have come to be known in the international community are of relatively recent vintage, West Africa should be counted among the regions of the world with a certain experience in this area. There are some 40 IGOs in this region, some of which have their origins in the colonial past. Most of them are subject-specific or represent loose forms of regional cooperation, but there are also three economic communities, each pursuing the economic integration of its member countries. The first of these to be established was the West African Economic Community (CEAO) in 1972, through the conversion of the much older customs and economic grouping, the Union douanière et économique de l'Afrique de l'Ouest (UDEAO). Disbanded on 14 March 1994, CEAO has been supplanted by the West African Monetary and Economic Union (UEMOA). The other economic communities are the Mano River Union (MRU), established in 1973, and the Economic Community of West African States (ECOWAS), formed in 1975. Membership in these communities just prior to CEAO's disbandment consisted respectively of Benin, Burkina Faso, Côte d'Ivoire, Mali, Mauritania, Niger, and Senegal for CEAO Guinea, Liberia and Sierra Leone for MRU; and all 16 West African countries, from Cape Verde to Nigeria for ECOWAS.

The major emphasis in creating each of the three communities was the liberalization of intra community trade and related forms of cooperation, such as the regional roads and telecommunications networks supported by ECOWAS. Other areas of ECOWAS activity have included measures to facilitate the free flow of people, through the introduction of visa-free travel for citizens of West African countries throughout the region, and recognition of people's right to reside and settle in any country of the region. ECOWAS has also adopted agricultural and industrial cooperation programmes designed to expand the regional production base and foster greater complementarity among the various national production systems.

The three communities have also promoted some specific projects. CEAO has established a management institute in Dakar (CESAG), a fisheries institute in Nouadhibou, Mauritania, and the Regional Centre for Solar Energy (CRES) in Bamako. MRU has similarly created a number of institutes at the service of the union: telecommunications in Freetown, maritime training in Monrovia, and forestry training in Bomi Hills, Liberia. Financial institutions responsible for funding regional integration projects and programs have been part of both the CEAO and ECOWAS initiatives (FOSIDEC and the ECOWAS Fund, respectively).

Unlike the three economic communities, other West African IGOs have more specialized ambitions. Each of them was established to help its member countries solve a common problem or promote the development of shared resources (see ECA/MULPOC 1993).

In the area of monetary cooperation, the West African Monetary Union (UMOA) has now become UEMOA, as of January 1994. It groups seven francophone countries under the Central Bank of West African States (BCEAO), which is the issuing authority of the Union's common currency, the CFA franc. Relatively successful, thanks to the supranational nature of the institution and external support from France, the Union has now expanded its functions beyond that of monetary cooperation, into the economic sphere. For West Africa as a whole, the central banks of the region established the West African Clearing House (WACH) to facilitate intraregional transactions and economize on the use of foreign convertible currencies. The scope of WACH is now being enlarged, and it is being transformed into the West African Monetary Agency. This Agency will be a specialized ECOWAS institution responsible for the ECOWAS monetary program, whose objective is the creation of a single monetary zone, with a single common currency replacing the ten existing ones (the CFA franc and nine inconvertible currencies).

Several IGOs are active in the fields of agriculture and natural resource management. These include:

- the Permanent Interstate Committee for Drought Control in the Sahel (CILSS), created in 1973 to address the growing menace of drought and desertification; this organization has been the focal point for both external and local efforts at controlling ecological degradation and promoting sustainable development in the Sahel;
- the Communauté économique du bétail et de la viande (CEBV) set up in 1970 to strengthen the livestock industry (a major economic sector in the savannah zone) and better organise the cattle trade between the producing and consuming countries of the region;
- the West African Rice Development Association (WARDA), established in 1970 to improve the production of rice, a staple in West Africa;
- two major pest-management organizations, the Organisation internationale de lutte contre le criquet migrateur africain (OICMA) and the Organisation commune de lutte anti-acridienne et de lutte anti-aviaire (OCLALAV), created to address the widespread destruction of crops by locusts and other migratory pests, in the Sahelian region especially;
- river and lake basin organizations, such as the Niger Basin Authority, the Senegal River Development Organization (OMVS), the Gambia River Development Organization (OMVG), and the Lake Chad Basin Commission (LCBC); and
- the Liptako Gourma Authority, an organization for the coordinated and accelerated development of the resources of a region shared by Niger, Mali, and Burkina Faso.

In the area of human resource development, there are two West African organisations in the health sector: the West African Health Community (WAHC) and the Coordination and Cooperation Organization for the Control for the Major Endemic Disease (OCCGE). They are being merged into the West African Health Organization, a specialized agency of ECOWAS. In the field of education, there are the West African Examinations Council (WAEC) and its francophone equivalent, the African and Malagasy Council on Higher Education (CAMES).

Finally, ECOWAS has encouraged the formation of a number of associations to involve the citizens of West Africa in the integration process; these include the West African Youth Union, the West African Women's Association, and the West African Workers' Union. There are also regional business associations like the Federation of West African Chambers of Commerce, the Federation of West African Manufacturers Associations, the West African Banks' Association, and the Union of West African Road Transporters. This is an impressive array of regional organizations, and the policies and programmes initiated by these various IGOs provide a ready foundation on which to build the integration process. It is an achievement for 16 developing countries to have agreed on schemes for a free-trade area, the free movement of people, monetary union, regional defense cooperation, and the joint development of regional transport and communications networks, as ECOWAS member states have done. This is a mark of the solidarity and the community spirit that have evolved over the years among West African countries, despite the different colonial experiences, linguistic and cultural backgrounds, and legal and administrative systems that have divided the region.

A question frequently asked is how the coexistence of so many different IGOs affects the regional integration process. Although the multiplicity of IGOs may be indicative of the desire of West African countries to cooperate, the resultant duplication and financial burden must also be kept in mind. The ECOWAS Authority of Heads of State and Government first addressed this issue in 1983, and proposed the rationalization of these IGOs. A joint ECA-ECOWAS study on rationalization was completed in 1987 (ECA and ECOWAS 1987) and its proposals for institutional reform were adopted by the ECOWAS Authority in 1991. It was decided that there should be a single regional economic community whose responsibility it would be to set integration policies and monitor the general process of regional integration. Specialized institutions of ECOWAS were to evolve out of certain existing sector-specific IGOs to manage regional programmes in such areas as monetary integration, the mobilization of development finance, environmental protection (particularly drought and desertification control), regional food security (cereal production, livestock development, and pest control), development of river basins, human health, and human resource development.

The rationalization issue is of particular relevance for the three economic communities, ECOWAS, CEAO/UEMOA, and MRU, which overlap and compete with each other, each with a different scheme for the elimination of tariff and non-tariff barriers. These three schemes were conceived to operate with different rules of origin, customs documents and compensation schemes, so it should come as no surprise that the operation of three trade liberalization schemes in the same region has created certain difficulties and impeded the development of trade between member countries. Some efforts at coordination have been made, and the secretariats of the three economic communities developed a single regional scheme that was adopted by the 16 ECOWAS countries in 1983. The scheme was reviewed in June 1992, and certain modifications were adopted by the member countries. However, there has been little progress since then.

Resolutions such as the 1991 decision to designate ECOWAS as the sole economic community in West Africa and to rationalize the other IGOs under its umbrella, accomplish little if they are not actually implemented, and efforts should be made to deepen our understanding of the politics behind this and similar decisions. As Bourenane argues elsewhere such analysis is fundamental to the definition of a realistic set of objectives and strategies for regional integration and cooperation in West Africa. Why was the relationship between ECOWAS and the other two communities not defined in 1975 and incorporated into the ECOWAS Treaty from the start? Why, less than 3 years after the 1991 decision to make ECOWAS the sole economic community in West Africa, did the francophone countries decide to establish the competing UEMOA? Issues such as these, relating to the motivations and expectations of countries involved in regional cooperation and integration

schemes, but do merit further attention, because they condition the realistic expectations that one may have of the possibilities for closer cooperation or the acceleration of the integration process.
That the current trade liberalization schemes have had little impact on trade flows within the region is readily acknowledged. Trade liberalization has been largely insignificant under MRU, negligible under ECOWAS, and somewhat limited even under CEAO, which has had the most success in this area. Intra-ECOWAS trade has stagnated since the creation of the Community. It finally increased as a proportion of total trade during the recessionary years of the late 1980s, rising from about 7% to 10% (Hess 1991, vol. II, p. 8), but this cannot be attributed to ECOWAS, in the absence of effective implementation of the trade-liberalization program under that regional body. Intra-CEAO trade increased rapidly in the early years, but then stabilized. At the end of the 1980s, it stood at about 10% of officially recorded trade among those countries (Hess 1991, vol. II, p. 11).

SELF ASSESSMENT EXCERCISE
Where is the headquarters of ECOWAS?

3.3 ECOWAS Initiatives

Progress on other ECOWAS initiatives has been mixed. Highlights include the impressive progress in the transport and communications sector thanks to external funding of the coastal highway (now 82% complete), the trans-Sahelian highway (76% complete), and the West African portion of the Pan African Telecommunications Network that now links all the countries in the region.
Much has also been achieved under the first two phases of the ECOWAS protocol on the free movement of people. Visa-free travel has been achieved since 1986, and the right of residence is now fairly widely applied. The third and last phase, the right of establishment, is yet to be widely applied in the region.

A development that augurs well for the future of regional integration is the establishment of regular dialogue among West African economic and financial policymakers since 1987. ECOWAS ministers of planning and finance have been involved in discussions aimed at greater harmonization of national approaches to macroeconomic issues, such as external indebtedness and the effects of the European Common Market on West African countries. They have also attempted to reassess national structural adjustment programs from a regional perspective with a view to developing a regional program for economic recovery. The governors of central banks also meet regularly to evaluate and reorient the ECOWAS monetary integration program, whose objective is to establish a single West African monetary zone by the year 2000. A Consultative Forum was finally established in 1992 to formalize meetings between central bank governors and ministers of planning and finance as a mechanism for the harmonization of economic and financial policies of ECOWAS member states. The Forum met for the first time during the Council of Ministers' session of July 1993, thus launching the regional process of economic harmonization to ensure that future structural adjustment or economic reform programs are better suited to the development and integration needs of member states.

In the monetary sphere, UMOA stands as an example of successful cooperation that has remained intact from the colonial era, but for West Africa as a whole, the record is dismal. So far, WACH has accomplished little of substance and has been described as "practically defunct" (Hess 1991, vol. II). One can only hope for better results from the new West African Monetary Agency, which has set itself the role of greater coordination of monetary policy as a first task, in preparation for eventual monetary union in the region.

ECOWAS, CEAO, and other regional institutions have been involved in such a wide range of activities that one can hardly hope to do justice to their achievements in an overview such as this one. However, there is general consensus that the various regional cooperation and integration schemes in West Africa have not had a significant impact on development in the region. For the most part, it would appear that IGOs have succeeded in getting their member countries to adopt their various programs and schemes while falling short of actual implementation. Among the problems encountered within ECOWAS has been the slow rate of ratification of Community conventions and protocols, the low rate of implementation of Community acts and decisions, delays in reacting to requests for information from member states, poor attendance at

ECOWAS meetings and delays in payment of contributions
Obviously, not all West African countries have come to terms with what regional integration entails and what contributions and sacrifices are expected of the partner states. Some observers have tried to attribute such apparent indifference and apathy to the economic crisis, which emptied governments and interrupted national long-term development programs. However the problem is not so simple. The rest of this chapter discusses some of the other factors that have affected the process and how these problems are being addressed in the revised ECOWAS Treaty.

SELF ASSESSMENT EXCERCISE
Name and discuss some of ECOWAS initiatives

3.4 Constitutionalism and Regional Integration in West Africa
Africa's deficit of constitutionalism has undermined the process of regional integration in several ways. Just as the habit of shared power has facilitated the transition to supranational forms of authority in Europe, so its absence in Africa has undermined that process. The concentration of power in the hands of personal rules in African countries has made the sharing of that power especially difficult, due to the jealousy with which those rulers have guarded their personal fiefdoms. Politically, a system of governance that is devoid of defined mechanisms and structures of representation or participation undermines the kind of consistent political commitment and long-term legitimacy that regional integration demands, because a change of ruler is sufficient to undermine agreements arrived at by his predecessor. Concentration of power also makes it difficult to promote healthy intergovernmental relations at levels other than the very top. Finally, a system of personal rule precludes the useful role which pressure groups can play in moulding the character and direction of an integration movement, as they did in the development of the European Union (Aziz 1993, pp. 4–5).

Economically, the engine of integration must be the private sector of the national economies — if the experience of Europe is, again, any guide. Peter Drucker's "new pluralisms," referred to earlier, have played no small part in the economic integration of Western Europe. In the form of transnational enterprises, they have been instrumental in knitting Europe's economies together, giving applied meaning to the notions of economic community or of European Union. In West Africa, the lack of constitutionalism is impeding the possibility of similar development. The subregion lacks the atmosphere of predictable laws and institutions necessary to the stability and independence of the private sector that explains the success of Europe's transnational enterprises. The absence of predictability and the difficulties associated with contract enforcement, in particular, make regional economic ventures risky. Thus, most indigenous economic institutions and enterprises remain locked within existing national boundaries (Ojo 1993, p. 16), awaiting the day when the subregional atmosphere, in terms of constitutionalist practice, will be conducive to transborder expansion.

The absence of constitutionalist underpinnings also affects the economy in some fairly general ways, with negative consequences for regional integration. Repressive regimes stifle economic, as well as political, initiative. Repression or coercion saps human energy and leads to economic stagnation. Under such conditions, one cannot hope to galvanize the population to productive efforts, or to inspire the citizenry to look beyond the narrow confines of the national state. A constitutionalist framework creates an open society which liberates human energy, enhances creativity, and stimulates competition, to the benefit of the economy. The more developed the economies of a region, the easier it is likely to be for them to integrate, due to the larger number of products and services that can be exchanged, the greater ease of communications and transport, higher levels of education and information, etc. Economic integration thus seems more likely to flourish in the context of economic prosperity such as might be expected to emerge in a constitutionalist environment.

Arbitrary economic policies such as often accompany personal rule discourage the development of long-term economic relations between countries and tend to distort the nature of entrepreneurial activity in favour of rent-seeking behaviour, through smuggling and black market dealings, as both Meagher and Bach show in this volume. Restricted freedoms and arbitrariness at the national level are reflected at the regional level in the form of obstacles to free movement across national borders and regional trade, which are all too often of an arbitrary or extraordinary character.

With the tentative wave of democratization and economic liberalization that has spread over much of the region since the late 1980s may come greater progress in the realm of regional integration. The road yet to be traveled is a long one however, the political changes we have seen so far are often of limited substance, where they have taken place at all. What is required is not only the trappings of democratic change, but a change of mentality, consistent with constitutional rule, and a better appreciation of the role of the law in modern society.

Two suggestions can be made from a regional perspective. One is to seek a better understanding of the law in different countries and a greater degree of harmonization across linguistic boundaries. West African law schools should consider reinforcing their curriculum through teaching and research of a comparative nature on the legal systems of the subregion. Funding should be mobilized for institutions like the Nigerian Institute of Advanced Legal Studies and similar research centres in the subregion to embark on studies to produce standard laws and practice across linguistic boundaries in specific areas of economic interaction among the peoples of West Africa. Every standardized law on any subject adopted by the states would be a move toward the dream of a virile West African community.

Second, in the struggle for the enthronement of constitutionalism in the subregion, the ECOWAS framework can itself be usefully exploited, through reinforcement of its tribunal. A new kind of tribunal should be set up for the Community, different from the one provided for in article 11 of the 1975 ECOWAS Treaty. Given the rather tentative nature of ECOWAS as fashioned by its founding fathers, no greater function was envisaged for the tribunal than to ensure "the observance of law and justice in the interpretation of the provisions of this Treaty" in settling disputes that may be referred to it by member state. Unfortunately, even this limited tribunal has not been established, illustrating the weak commitment of participating governments to any sort of measure capable of undermining national sovereignty.

Given the present precarious state of constitutionalism in West Africa, the sort of tribunal that is required is one that would be empowered to enforce human rights and check abuses of power on the part of governments, in addition to adjudicating issues relating to regional integration. All West African countries are signatories to the African Charter on Human and People's Rights adopted by the 18th Conference of Heads of State and Government of the Organization of African Unity (OAU) in June 1981 in Nairobi. The fact that the Charter has now been given formal recognition in the ECOWAS Revised Treaty *(West Africa,* 19–25 July 1993, p. 1248) is a further step in the right direction.

The next, and more important, step would be to create a tribunal to check on the infringement of the rights so established. The creation of such a tribunal would amount to a partial surrender of sovereignty on the part of participating states and an acceptance of the notion of limited government — the beginning of wisdom in matters of governance. Like the European Court of Justice, the West African tribunal would, in time, develop a stature of its own and contribute substantially to the process of integration in the subregion. The colonial period offered a precedent for such a tribunal, in Commonwealth West Africa, through the operation of the West Africa Court of Appeal between 1928 and 1954 (Elias 1963, pp. 149–151). In its appellate jurisdiction, it dealt with substantive matters of law, opening up the possibility of the development of West African common law.

4.0 CONCLUSION

Genuine progress can only be made in West Africa in an atmosphere of constitutionalism undergirded by such human values as would promote the full flowering of the human personality. Freedom is basic to development, for it is the key to releasing human energy, whether the goal is building strong national economies or the economic integration of the West African subregion. Constitutionalism was fundamental to the success of regional integration in Europe and will be a necessary ingredient to the success of regional integration in Africa.

5.0 SUMMARY

The current process of democratization and economic liberalization in the subregion moves us in the required direction, and it may be possible to build on that momentum through the creation of a regional tribunal for enforcing basic human rights in the subregion.

6.0 Tutor-Marked Assignment

Lack of Constitutionalism has affected regional integration in West Africa. Discuss.

7.0 References/Further Readings

Alexyev, S. 1990. Socialism and law. Progress Publishers, Moscow, Russia.

Awolowo, O. 1977. The problems of Africa. Macmillan, London, UK.

Burke, E. 1846. Works II. Henry G. Bohn, London, UK.

Dahrendorf, R. 1964. Recent changes in the class structure of European societies. Daedalus, Winter.

ECA (United Nations Economic Commission for Africa); ECOWAS (Economic Community of West African States). 1987. Proposals for the rationalisation of West African integration efforts. ECA, Addis Ababa, Ethiopia.

ECA/MULPOC (United Nations Economic Commission for Africa, Multinational Programming and Operational Centre). 1993. Directory of West African inter-governmental organisations. UNECA/MULPOC, Niamey, Niger.

ECOWAS (Economic Community of West African States). 1992. Final report of the Committee of Eminent Persons for the Review of the ECOWAS Treaty. ECOWAS Secretariat, Lagos, Nigeria.

Hencken, H.L. (ed.). 1952. A new dictionary of quotations. Alfred A. Knopf, New York, NY, USA.

Hurwitz, L.; Lesquesne, C. (ed.). 1991. The state of the European community. Lynne Rienner Publishers, Boulder, CO, USA.

International Commission of Jurists. 1991. Justice in Guinea. The Review, 7 (December), 4–9.

Jackson, R.H.; Rosberg, C.G. 1982. Personal rule in Black Africa. University of Berkeley Press, Berkeley, CA, USA.

Kiralfy, A.R. 1958. Potter's historical introduction to English law and its institutions (4th ed.). Sweet and Maxwell, London, UK.

Legum, C. (ed.). 1970–71, 1972–73, 1974–75, 1975–76. Africa contemporary record. Rex Collings, London, UK.

Machiavelli, N. 1940. The prince and the discourses. The Modern Library, New York, NY, USA.

Nwabueze, B.A. 1973. Constitutionalism in the emergent states. C. Hurst, London, UK. Pp. 1–21.

Ojo, O. 1992. The role of pressure groups in the growth and development of ECOWAS. Presented at the International conference on regional integration in West Africa, 11–15 January, Dakar. Economic Commission for Africa, Addis Ababa, Ethiopia. Document E/ECA/CM.17/2.

Voltaire 1926. The age of Louis XIV (translated by M.P. Pollack). Dent, London, UK.

Welch, C.E. Jr. 1990. Human rights in francophone West Africa. *In* Naim, A.A.; Deng, F.M. (ed.). Human rights in Africa. Brookings Institute, Washington, DC, USA.

UNIT 4 A CRITIQUE OF REGIONAL INTEGRATION IN WEST AFRICA

CONTENTS

1.0 INTRODUCTION

In the last unit we examined regional integration in West Africa, explored its origins, aims and objectives and looked into the achievement of regional integration in the West African sub region so far. In this unit, we are going to examine the challenges facing regional integration, the institutional arrangements at the national level and and the prospects for the future of integration in the West Africa.

2.0 OBJECTIVES

At the end of this unit, you should be able to

a. Discuss the factors affecting regional integration in West Africa
b. Analyse the future of regional integration in West Africa
c. State how the absence of a development culture affects integration in the region.

3.0 Main content

Factors affecting the Integration Process

Like the economic development that it is meant to promote, the regional integration process cannot be understood without careful consideration of the basic factors that shape and influence West African society – its ideological, socio-cultural, political, economic, institutional, and administrative dimensions — studied with regard to their impact on the regional integration process. Several issue-areas emerge as particularly relevant to an understanding of the limited progress of regional integration to date or the conditions of renewed dialogue in defining new approaches for the future. The present section systematically addresses each of these issue-areas.

The absence of a Development and Integration Culture

For economic integration in West Africa to succeed in its role as an instrument for fostering the development of the partner states requires that these countries have a clear sense of their own development objectives and strategies and be fully committed to the pursuit of these goals. A development culture must be fostered, both within government and among the people, so that concern for a better future replaces preoccupation with the satisfaction of immediate needs. With development objectives placed high on the national agenda, well thought-out development strategies would not be so easily replaced with ad hoc economic management decisions, and regional integration would more easily come to the fore as a necessary component of such strategies.

Since 1975, when the countries of West Africa committed themselves to forming an economic community, how many member states have drawn up national development plans or programs with regional considerations or the regional market as their point of reference? What measures have been introduced by governments as incentives for their business communities to venture into cross-border investments and transactions, and what encouragement are ordinary people offered to think in West African terms? An integration culture is not yet conspicuous in the region nor is integration accorded the high priority it deserves on national economic agendas.

The required level of regional solidarity and community spirit can be expected to develop by itself, over time, through the accumulation of shared experiences, growing awareness of the advantages of belonging to the Community, or a clearer perception of common interests. However, this process could be actively reinforced through national mechanisms to promote the virtues of regional integration while propagating knowledge and understanding of how regional cooperation can be used in support of national development goals.

The political Dimension

It was the rise of nationalism that inspired the peoples of the colonies to seek political independence. Subsequently, the creation of a national identity and the exercise of national sovereignty have been prominent features of the post-independence political agenda. Today, that legacy of national sovereignty and the jealousy with which it is guarded have become obstacles to progress on the road to regional integration, which requires a certain sharing of sovereignty among members of the community. Exacerbating this tendency are other aspects of the colonial heritage that continue to influence national institutions and attitudes in the political as in other fields, including differences in legal and educational systems or administrative structures or the North-South orientation of national economic structures.

Differences in political ideology have also influenced attitudes and approaches to regional integration. For example, during the negotiation of the ECOWAS rules of origin and the Protocol on Community Enterprises, socialist governments and national administrations that were pursuing strong indigenization policies fought for a regional policy that encouraged greater state or indigenous participation. Against this were member states wedded to the laissez-faire ideology, who advocated a more liberal approach to the issue of third country participation in Community projects. The latter ideological school eventually won the day, since the rules have recently been revised, by lowering to 25% the share of indigenous equity participation required for goods to qualify as originating from the Community.

Always lurking in the political shadows is the unexpressed fear of domination by Nigeria: the "big country'" issue. Nigeria overshadows every other country in the region several times over in terms of population, gross domestic product, and natural resource endowment. An effort has been made to counterbalance this by' placing ECOWAS member states on an equal footing in all things except their financial contributions to the Community (which are prorated), but the concern remains. The French tend to provoke and sustain this fear of domination, as they strive to maintain their sphere of influence in the region. It is in the interests of the Community that this issue be carefully dealt with to dispel any remaining fears and promote greater commitment to the regional integration process.

The wave of reforms currently sweeping the region in favour of political pluralism and economic liberalism should help to narrow political and ideological differences among member states. This tendency may be reinforced by the Community's adoption in 1991 of the Abuja Declaration of Political Principles, which enshrines a minimum set of democratic principles as guidance to member states in their quest for a well-established democratic society. This is a modest beginning of political cooperation, but constitutes a vital step nonetheless. The revised Treaty also envisages the establishment of a West African parliament to promote grassroots involvement and popular participation in regional integration and cooperation. More democratic rule should bring about a more stable and congenial political atmosphere, which is a sine qua non for regional integration. The establishment of liberal democracy throughout the region would also enhance free enterprise, freedom of association, and the free flow of information and ideas, all of which are fundamental to the viability of an economic community.

The revised ECOWAS Treaty also postulates a degree of supranationality for the Community, and member states must attune themselves to this new perspective. The wrangling that accompanied the ratification of the Maastricht Treaty in Denmark, Britain, Germany, and France are indicative of the difficulty of selling the idea of supranationality to national governments and their electorates. However, this should not blind ECOWAS countries to the precedent set by the European Union (EU) in according important supranational powers to the European Commission and other EU institutions in economic matters.

The Economic Dimension

The poor economic health of member states since the early 1980s has been a major impediment to integration efforts. Severe economic recession has obliged member states to abandon all plans for long-term economic development, including regional integration, in the pursuit of short-term stabilization. The economic crisis has also emptied government coffers. The limited revenue that has been available to the public sector has thus had to be rationed in accordance with short-term priorities that excluded regional integration or gave it only token recognition. After the deep decline of the early 1980s, national economies are only now barely achieving a measure of stabilization. Unfortunately, there is little evidence that the reforms have had the desired effect of restructuring the region's economies, and the need to transform and diversify the regional economic base is more acute than ever. The establishment of a more stable economic environment, capable of encouraging long-term investment and development, should be one of the preoccupations of the ECOWAS Consultative Forum mentioned earlier.

Regional Peace and Security

No provision was made in the ECOWAS Treaty for regional cooperation in political and defence matters. However, the need to create an atmosphere of confidence and trust throughout the region as a precondition for regional integration was felt soon after the Community became operational. This led to the adoption of the 1978 Protocol on Non-Aggression and the 1981 Protocol on Mutual Assistance in Defence.

Unfortunately, neither protocol was ever implemented, while political tensions within and among member states continued to mount.

The climax of these developments was the outbreak of civil war in Liberia and the establishment of an ECOWAS mediation mechanism for regional disputes. The usefulness of concerted action by member states in the Liberian conflict can be gauged by the contribution that the ECOWAS peace initiative has made: arrest of the carnage, restoration of peace, and initiation of the electoral process in Liberia. However, the ECOWAS peace initiative is only an ad hoc arrangement designed to address a specific problem. It was not meant as a recipe to meet the future needs of the Community.

The disruption of regional integration programmes by political tensions is apparent. Regional instability also retards the economic growth and development of member states and acts as a disincentive to invest-
ment. What is needed, therefore, is some sort of common security arrangement that would safeguard and guarantee the long-term peace and security of the region and meet the needs of all member states. The two protocols mentioned above address conflicts between member states as well as aggression by external forces, and could form the basis for the establishment of such a system. With the limited resources at their disposal, member states could extend on-going public expenditure reforms to cover national defence spending, in the context of such a regional security system.

SELF ASSESSMENT EXCERCISE
How does poverty among West African states affect integration in the region?

3.2 Institutional Arrangements at the National level

Public administration in West Africa was a creation of the colonial powers and an instrument for taxation, coercion, and general administration. Developmental functions were added when Africans took over the reins of government in the 1960s. Despite their limited technical and managerial capabilities, governments of the time were more inclined to keep a tight rein on the economy than to foster a congenial economic environment for the private sector. This could not but hamper the regional integration process. Recent liberalization measures are lowering the profile of government in the economy and encouraging its adoption of a more positive and supportive role in its dealings with the private sector. This should have a positive affluence on the regional integration process, through the reduction of administrative barriers and restrictions to international trade, investment, and migration. Economic liberalization should also influence the character of regional politics. In the past, decision-making for regional integration was carried out by heads of state, with business conducted on a strictly government-to-government basis. As liberalization proceeds, governments can be expected to encourage a more active role for the private sector in the integration process, through the close involvement of regional private-sector organizations, such as the Federation of West African Chambers of Commerce, the Federation of West African Manufacturers Associations, and the West African Banks' Association, in the ECOWAS decision-making process.

For regional integration to flourish as an instrument of economic development also calls for a restructuring of national institutional arrangements. The importance of regional integration requires that a key ministry be established in each country to act as a focal point. It should be mandated to assume the coordination of all forms of regional integration and cooperation and should ensure that national development policies and decisions are cast in a regional perspective. Although attempts of this sort have been made in a number of member states, such arrangements are not effective anywhere in the region. Instead, one finds small coordination units, created in certain ministries as token gestures representative of how peripheral regional integration remains to the national economic agenda. Such deficiencies have a deleterious effect on the attention accorded to regional integration matters and the level of preparation and participation at ECOWAS meetings.

Participation of the sectoral ministries in the integration process should be encouraged through the creation and proper functioning of inter ministerial coordination committees. Regional development policies and strategies have been adopted at the national level in almost all sectors of economic activity, but these must be pulled together into a national strategy and their implementation must be ensured. Support should likewise be provided for regional efforts to mobilize and create community awareness among the different strata and socio-professional groups of West African society. This requires that the relevant ministries be involved in the organization of these groups at the national level and that they actively promote their participation in regional integration programs.

External support

Since the adoption of the Second United Nations Development Decade in the 1970s, African countries have repeatedly reaffirmed that the main responsibility for the development of their economies rests with them. However, considerable support from the rest of the world remains necessary, especially in the area of regional cooperation, where the lack of an independent tax base reduces access to financial resources.

Donor attitudes regarding regional cooperation among developing countries have been improving. The signing of the AEC Treaty in 1991 gave impetus to this trend, and many international organizations are currently looking for ways to promote economic integration in Africa (see Lavergne and Daddieh, chapter 6). These initiatives should be coordinated to ensure a more positive contribution to the continental economic integration process. Inadequate funding continues to plague regional cooperation efforts, and the growing interest of the donor community in regional integration will hopefully be translated into financial support. What is certain is that external support will be forthcoming only when the donor community is convinced of the strong commitment of member states to the process.

The need for renewed Leadership

It has been said that Africa's current political instability, economic decline, and social discontent reflect a leadership crisis on the Continent. If this is true of individual countries, it is equally valid for the regional integration process. The emergence of stronger leadership could supply the vision and necessary direction and demonstrate the sacrifice and commitment that are essential in any cooperative endeavor.

Not all countries have the same appreciation of the need for cooperation; some have to be coaxed and pulled along by others. West Africa has been fortunate in having certain leaders and countries that are strongly committed to the ideal of regional integration. Some member states have always been more assiduous in meeting their financial obligations to the community; and some have taken the lead in initiating

important regional cooperation projects and programs. Some community arrangements have required special sacrifices from certain member states (regarding formulas for determining financial contributions, trade liberalization schedules, or compensation formulas for the loss of tariff revenue), and the acceptance of these arrangements is a clear manifestation of solidarity and community spirit.
At this stage in West African integration, when many bold and new initiatives are required to propel the process forward, there is an urgent need for such leadership qualities. Each member country should be able to determine its obligations to the community. Each should define an area where it can make some unique contribution and set an example by assuming a leadership role. Such an attitude would permit member states that have not participated as fully or actively as they are capable of doing to redress the imbalance.

Revised ECOWAS Treaty
Certain initiatives have been undertaken in the early 1990s to revitalize the regional integration process in West Africa. In 1991, the ECOWAS Summit of Heads of State recognized that the 1975 Treaty was in need of overhaul, and a Committee of Eminent Persons was created to examine most of the issue-areas identified above and make appropriate recommendations in the form of revised Treaty provisions. In carrying out its assignment, the Committee interpreted its mandate to include consideration of institutional matters, regional economic integration, political cooperation, regional peace and security, and the financing of regional integration efforts (ECOWAS 1992).
The revised Treaty was submitted to the Summit of Heads of State held in Cotonou in July 1993, and was adopted at that level. Although there were delays in securing ratification of the Treaty, and ratification in itself does not guarantee implementation, the revised Treaty lays out some clear directions for progress on regional integration in West Africa, and reaffirms in different ways the priority that should be given to regional integration by all 16 West African countries (ECOWAS 1993b).

- It defines ECOWAS as ultimately the sole economic community in the region and clearly spells out the relationship between ECOWAS and all other West African IGOs.
- A certain change of orientation is evident in the supranational status accorded the Community and the undertaking to pool national sovereignties through measures that would strengthen community institutions and make community decisions directly enforceable in member states.
- The powers of the community institutions and the executive secretary are enhanced to reflect the greater priority being placed on regional integration. Instead of a community tribunal, the revised Treaty provides for a court of justice to reflect the important role this body has to play. A West African parliament will be part of the political cooperation program to be developed. Similarly, the expected greater involvement of the professions and interest groups in general has led to the inclusion of an economic and social council in the revised Treaty.
- Sector ministers will be more involved in the decision-making process and the technical commissions have been reclassified to ensure better representation at meetings as well as a more efficient organization of the corresponding technical departments of the executive secretariat. Rationalization of IGOs is expected to lead to the creation of specialized agencies to handle specific sectoral programs.

- The institutions provided for in the two existing protocols on defense matters will be reviewed and made operational to handle the defense cooperation program and ensure regional peace and security.
- The revised Treaty proposes that the perennial problem of arrears in contributions should be overcome by instituting a system for generating an independent resource base. A community levy, representing a percentage of the value of total imports from third countries, would be imposed to generate sufficient funds for both the operational budget of the Community and the development assistance extended to member countries by the ECOWAS fund.
- In the field of economic integration, the objective is the achievement of a common market and a monetary union. Equal attention is given to all economic sectors and activities, including the service sector. The revised Treaty aims to ensure that not only market integration, but also production and physical integration are achieved.
- Emphasis is placed on private-sector participation. The private sector is to be encouraged to participate actively in community decision-making and is assigned a bigger role in the implementation of community programs. The ECOWAS protocol on community enterprises is expected to be revised to reflect greater reliance on the private sector, and a community investment code is proposed, to favour private-sector involvement in cross-border investments.
- Building on the 1975 ECOWAS Treaty, which recognized the need for regional cooperation in the social and cultural sector, the revised Treaty spells out measures to be adopted in various fields. Important areas of cooperation, such as science and technology, information, and defence, which did not feature in the 1975 Treaty but were included in the community work program are now provided for in the revised Treaty, and the democratic principles contained in the Abuja Declaration of Political Principles form part of the general undertaking by member states in the preamble to the revised Treaty.

SELF ASSESSMENT EXCERCISE
In which ways would renewed leadership in West Africa affect integration?

3.3 Prospects for the Future

With the adoption of the AEC Treaty and the revision of the ECOWAS Treaty, West Africa seems to possess the institutional framework necessary to move forward on regional integration. The future course and success of that process cannot, of course, be taken for granted, if experience to date is any guide.

Some commentators have argued that West Africa's low level of economic development and the indifference of some governments to regional integration under ECOWAS make it necessary for West Africa to adopt only a loose form of regional cooperation conducted on a pragmatic and ad hoc basis. The successes of the Southern African Development Community (SADC, formerly SADCC, the Southern African Development Coordination Conference) and the Association of South East Asian Nations (ASEAN), and the loose arrangement within the Latin American Economic System (SELA) have been cited in support of this argument.
One may want to argue for a more ambitious approach, in light of the limitations on economic development imposed by the small size of national markets and the limited resource base. Already, West African countries have slipped far behind in the development race, and unless a more serious attempt at economic development is

made, the current sociopolitical crises will continue to threaten the very survival of most West African states. A well-structured approach to regional integration and cooperation holds the promise of accelerated development through the coordinated exploitation of the region's human, natural and capital resources.

Regional economic integration involves more than market liberalization. The ECOWAS experience illustrates the importance of investments in physical infrastructure, and direct interventions of various sorts are required to promote the development and diversification of the regional production base. Monetary integration is also needed in order to harmonize monetary policies, improve macro-economic management, and eventually replace the weak inconvertible domestic currencies of the region with a single regional currency. Regional integration should also embrace cooperation in the social, cultural, defense, and political fields, if only because the absence of stable and compatible policies in these areas militates against the success of regional integration in other respects. Developments in the European Union amply demonstrate the need for serious consideration of these other dimensions of regional integration.

The time has come for the region to embark on a viable development strategy. The functioning of ECOWAS and the problems that regional integration has encountered clearly indicate that member countries have not completely accepted regional integration as a development tool and have yet to accord it the necessary priority. Hopefully, the signing of the revised ECOWAS Treaty will mark an important step in the redynamization and reorientation of ECOWAS. The success of implementation of the new Treaty will depend on many factors, including a change of attitude on the part of all the actors involved in the integration process.

Limitations of the Instrumental Approach in Africa and Elements of a new Approach

The primacy accorded to the instrumental approach in dealing with community issues has severely handicapped past attempts at economic integration. The application of this approach has been characterized by excessive state control in the definition and implementation of regional integration schemes, inordinate voluntarism in the face of operational constraints, and the mimicry of approaches used elsewhere, particularly in Europe. Regional integration has come to be identified with the definition of technical and bureaucratic modalities and institutional mechanisms for enhancing economic cooperation between neighbouring countries. The potential for conflict in the pursuit of different partners' socioeconomic objectives is overlooked or glossed over, along with the need for setting priorities in the timing and geographic impact of various actions. It is only through studies such as those by the Club du Sahel, the Permanent Inter-State Committee for Drought Control in the Sahel (CILSS), or the Conference of Ministers of Agriculture on problems of food security that new and more realistic ways of thinking are emerging.

From an historical point of view, this instrumental approach can be attributed to two myths carried over from colonial times and the national liberation movements: the idea that certain areas are naturally amenable to integration due to their historical past as colonies of the same foreign power; and the notion of fraternal bonds of solidarity among states and peoples as' a result of their struggles for political independence. The first of these two myths continues to influence the thinking of numerous researchers with regard to French-speaking Africa (Diouf 1993). However, the notion of regional integration is misapplied in this context, because the subjugated and pacified areas in question were united by force of the colonial authorities, and not by choice of the original inhabitants. The resulting unity was short-lived in many ways, because the very purpose of the struggle for independence was to abolish the dominant relationships established by the colonial regimes. As for the liberation movements, they covered a wide range of opinions and political philosophies whose only common feature was their opposition to the colonial state and its socially discriminatory and repressive nature. This accounted for the opposing views that surrounded the discussions leading up to the creation of the Organization of African Unity following independence.

The instrumental stance taken in most scholarly treatments of regional integration led to a dearth of analysis regarding the socio-economic, political, cultural, and spatial feasibility of integration projects and helped to reinforce the voluntarism of state-led initiatives. This helps to account for the excessive optimism of government leaders and high officials at summit meetings of intergovernmental organizations. Heads of state were thus reinforced in their apparent belief that it was sufficient to agree among themselves at the highest level for regional integration to magically occur over the short or medium term. Everything was done as though the authority of heads of state was absolute, as though they were the total masters of their respective societies and totally independent of their regional and international environments, and only had to copy the experience of others to succeed.

The idea of indiscriminately copying institutions found in Europe and elsewhere is not only a delusion, but an obstacle to progress in building a regional community in West Africa or elsewhere on the continent. The institutional choices made by the European Union resulted from specific historical circumstances based on high growth rates, low income differentials among the various countries, considerable local managerial and technological capability, high levels of economic trade, government structures with a high degree of legitimacy, a strong desire to end generations of war and conflict, and access to massive external support through the Marshall Plan. None of these conditions exist in Africa!

A regional community cannot be constructed without taking into account the specificities of the countries and stakeholders involved, including their own historical experiences, in identifying the errors of the past and new paths for the future. Only in this way will it be possible to overcome the limits of existing models that remain totally divorced from socio historical realities, despite all their apparent pragmatism in focusing on concrete modalities and timetables for action. Efforts to develop a general theory of regional integration and community-building should not blind us to the specific problems of each region, in light of its own social and economic reality, history, and culture.

SELF ASSESSMENT EXCERCISE

Who is the current Chairman of ECOWAS?

3.4 The building blocks of a Realistic and Dynamic Integration Strategy

We propose a progressive approach to the construction of regional communities focused on what is strategically useful and possible at the social and technical levels. The choice and design of instruments and modalities so central to conventional approaches become secondary in this context. The type of institution to be established, the specific measures to be applied, and the time-table to be followed will depend on the nature and content' of the strategy chosen, the context in which it is to be applied, the nature of the actors involved, and the nature of their interest in the process. They cannot be defined in advance.

Building on national strategies

The approach should be a pragmatic one, based on the adoption of a realistic and dynamic integration strategy. Among the building blocks constituting such a strategy, the first relates to the very notion of community-building, which should reflect a cumulative consensus among the actors concerned at the subnational, national, and international levels. This implies that regional construction should be based on national strategies, defined as part of the democratic process.

Integration should be viewed as a gradual process, in which higher and higher levels of cooperation are achieved, through a process aimed more at the strengthening of emerging national economies than their dissolution into a larger regional body. Regional integration should not be viewed as a panacea in the pursuit of economic recovery and development. It can at best be a complement, not a substitute, for national programs, and it is essential for member countries to have a clear vision of their own development priorities. The objective should be to use the community as a vehicle for the promotion of selected economic sectors or activities, in collaborative fashion. Such an approach requires that participating countries rise above petty national rivalries and ulterior motives that are capable of undermining the integration process to foster long-term understanding, solidarity, and mutual confidence among states and economic actors. The first priority should be the coordination of economic arid social policies to harmonize the economic environments in different countries, in favour of stakeholders whose activities are capable of promoting economic integration in a sustained and irreversible way.

A Gradual and flexible Approach

The second requirement of a more realistic and pragmatic approach lies in the composition of regional groupings. The idea of carving up the continent into a small number of large and exclusive economic communities should be replaced by an approach which follows the lead of stakeholders in various areas of activity. This implies the need for a highly flexible approach and the organization of countries into groups along variable lines according to the objectives of different stakeholders.

The definition of integration programs and time-frames should also take into account the nature of socio ethnic structures in and among the countries concerned, the recent history of social relations, and the geostrategic context within which they operate. Socio ethnic ties continue to play an important role in conditioning the behaviour of individuals and economic actors everywhere in Africa, and in West Africa specifically. The animosities that prevailed in the past between various social groups can flare up at any time, especially under difficult or unstable economic conditions. As has often occurred, a simple sporting event involving teams from two neighbouring countries or a theft of cattle can have an incommensurate impact on inter country relations, seriously jeopardizing cooperative initiatives or joint investment projects, which are sometimes perceived by local populations as a source of resource transfer at their expense to the benefit of neighbouring countries.

The role of the State and IGOs

The regional integration process needs to be revisited in terms of the roles assigned to various actors, the state in particular. The evolving political economic context, in which the state is progressively withdrawing from economic activity, suggests a less interventionist role for the state in the promotion of regional integration. The state's role will increasingly be one of informing and supporting the integrative activities of private traders and economic agents operating under competitive market conditions.

However, the role of the state should not be neglected. As the arbiter of resources and provider of regulatory functions, the public sector plays an important role in the promotion or marginalization of different interest groups. Voluntarism in the choice of overall goals and time-frames can thus translate into support for specific groups of actors considered as potential agents of change. Three groups of economic and social actors should be distinguished: those likely to benefit from integration, those mostly unaffected by it, and those likely to lose from it. An understanding of these actors' strategies and ambitions and their economic, political, social, and geographic base is essential to the design of community-building strategies. Under this approach, decisions such as the creation of a free-trade area or the choice of deadlines for its implementation would take into account the existence or absence of private parties interested in taking advantage of new trading opportunities in the countries concerned. Both governments and IGOs should make it a priority to understand the strategic concerns of different groups, in order to build on appropriate sources of support for regional integration.

The future role of IGOs and their affiliated institutions should be reassessed in this light. IGOs should be restructured to serve a support function for stakeholders, instead of continuing to function as extensions and outgrowths of governments without any prerogatives of their own. Such a shift could offer the dual benefit of freeing these bodies from the emasculating grip of higher authorities, while offering some prospect of self-financing by interested parties involved in the on-going community-building process.

Strengthening the knowledge base

The complexity of the issues and the need to balance competing interests in the various African subregions mean that the general approach being advocated here can only be implemented gradually, as the weaknesses of voluntarist and instrumentalist approaches come to be better appreciated, and there develops a better understanding of the various actors, their projects, and strategies.

The knowledge needed to pursue an optimal community-building strategy is neither easily available nor easily obtained. Such knowledge will come from the act of construction itself, which will confirm or invalidate various hypotheses and strategic options, enrich them, or supersede them, as the case may be, in the quest for alternative solutions.

In view of the uncertainties involved, efforts should be made to encourage the participation of stakeholders in the process through the provision of information regarding the stakes involved, the constraints to be faced and the resources to be made available, the dynamics of the process and its possible repercussions, and the successes and failures of experience to date. It is not sufficient to popularize the content of the treaties and decisions, or to mobilize the support of stakeholders for decisions already taken by the heads of state.

A participatory approach of this sort calls for a change in the status of IGO staff and associated personnel who have, until now been the hand maidens of the member states. Their contribution as observers of what is happening in the field is essential to any opening up of the process to stakeholders. This sort of shift will require that the IGOs themselves be restructured, and the status of IGO staff clarified. It requires also that IGO staff be sensitized to the need for a more open approach and that they be encouraged to disseminate knowledge that is available to them but has remained confidential or unavailable in documented form. Better information and understanding of the .process should enable us to transcend the conventional explanation of the failure of regional integration by appealing to insufficient “political will.” What appears as such should be seen as the political outcome of a combination of factors, strategies, and constraints that cannot be reduced to the will of heads of state, however powerful they may be.

4.0 Conclusion

From the above discussion, it is obvious that a multiplicity of emerging and operational economic and monetary unions exist in Africa. Specifically five major groupings encompass the entire continent. These are the Arab Maghreb Union, CEMAC, the Economic Community of West African States (ECOWAS), and the Southern Africa Development Community (SADC).

5.0 Summary

A regional community cannot be constructed without taking into account the specificities of the countries and stakeholders involved, including their own historical experiences, in identifying the errors of the past and new paths for the future. Only in this way will it be possible to overcome the limits of existing models that remain totally divorced from socio historical realities, despite all their apparent pragmatism in focusing on concrete modalities and timetables for action. Efforts to develop a general theory of regional integration and community-building should not blind us to the specific problems of each region, in light of its own social and economic reality, history, and culture.

6.0 Tutor-Marked Assignment

What roles do IGOs play in regional integration?

7.0 REFERENCES/FURTHER READINGS

Alexyev, S. 1990. Socialism and law. Progress Publishers, Moscow, Russia.

Awolowo, O. 1977. The problems of Africa. Macmillan, London, UK.

Burke, E. 1846. Works II. Henry G. Bohn, London, UK.

Dahrendorf, R. 1964. Recent changes in the class structure of European societies. Daedalus, Winter.

ECA (United Nations Economic Commission for Africa); ECOWAS (Economic Community of West African States). 1987. Proposals for the rationalisation of West African integration efforts. ECA, Addis Ababa, Ethiopia.

ECA/MULPOC (United Nations Economic Commission for Africa, Multinational Programming and Operational Centre). 1993. Directory of West African inter-governmental organisations. UNECA/MULPOC, Niamey, Niger.

ECOWAS (Economic Community of West African States). 1992. Final report of the Committee of Eminent Persons for the Review of the ECOWAS Treaty. ECOWAS Secretariat, Lagos, Nigeria.

Hencken, H.L. (ed.). 1952. A new dictionary of quotations. Alfred A. Knopf, New York, NY, USA.

Hurwitz, L.; Lesquesne, C. (ed.). 1991. The state of the European community. Lynne Rienner Publishers, Boulder, CO, USA.

International Commission of Jurists. 1991. Justice in Guinea. The Review, 7 (December), 4–9.

Jackson, R.H.; Rosberg, C.G. 1982. Personal rule in Black Africa. University of Berkeley Press, Berkeley, CA, USA.

Kiralfy, A.R. 1958. Potter's historical introduction to English law and its institutions (4th ed.). Sweet and Maxwell, London, UK.

Legum, C. (ed.). 1970–71, 1972–73, 1974–75, 1975–76. Africa contemporary record. Rex Collings, London, UK.

Machiavelli, N. 1940. The prince and the discourses. The Modern Library, New York, NY, USA.

Nwabueze, B.A. 1973. Constitutionalism in the emergent states. C. Hurst, London, UK. Pp. 1–21.

Ojo, O. 1992. The role of pressure groups in the growth and development of ECOWAS. Presented at the International conference on regional integration in West Africa, 11–15 January, Dakar. Economic Commission for Africa, Addis Ababa, Ethiopia. Document E/ECA/CM.17/2.

Voltaire 1926. The age of Louis XIV (translated by M.P. Pollack). Dent, London, UK.

Welch, C.E. Jr. 1990. Human rights in francophone West Africa. *In* Naim, A.A.; Deng, F.M. (ed.). Human rights in Africa. Brookings Institute, Washington, DC, USA.

MODULE 4 LESSONS FROM REGIONAL INTEGRATIVE SYSTEMS

INTRODUCTION

This is the final module in this course Regional Integration and Institutions. In the previews module we examined the multiplicity of emerging and operational economic and monetary unions that exist in Africa. Specifically five major groupings encompass the entire continent. These are the Arab Maghreb Union, CEMAC, the Economic Community of West African States (ECOWAS), and the Southern Africa Development Community (SADC). In this final module, we shall focus on the successes and the challenges globally of the regional integrative efforts.

UNIT 1 LESSONS FROM SUCCESSFUL INTEGRATIVE SYSTEMS

CONTENTS

1.0 INTRODUCTION

Unit 1 reviews the experience of European Union, its objectives and the successes so far.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

a. Evaluate the progress made by the European Union
b. Mention specific areas of achievement and failures if any

3.0 Main Content

3.1 The European Union Success

In the world of today, the most successful custom union that other world regions are learning from is the European Monetary Union (EMU). The experience of the EMU which spans over five decades comes very handy to other sub-regional efforts to achieve a single currency. As shown in one of the previous modules, in 1957, the governments of six European Nations, Germany, Belgium, France, Italy, Luxembourg, and the Netherlands signed the treaty of Rome which founded the European Economic Community (EEC). The EEC, however, commenced operations effectively in 1958. The objectives of the EEC include the establishment of a common market to integrate European economies for promoting economic activities, ensuring stability, accelerating the standard of living of its people and developing close relations among member states. The European Monetary System (EMS) was established in March 1979. The main aim of its establishment was to achieve monetary stability and to ensure close monetary cooperation among member countries.
To achieve this, the European Monetary Institute (EMI) was established in January, 1994 to serve as the forerunner to the European central bank. Of the fifteen countries that formed the EEC, eleven of them (Germany, France, Belgium, Luxembourg, Italy, Netherlands, Spain, Ireland, Portugal, Finland and Austria) were adjudged by the European council 1988 to have met the convergence criteria for joining the EMU. The EMI was in 1998 transformed into the European Central Bank (ECB) which made all the necessary arrangements for the successful launching of the Euro in January, 1999, to signal the commencement of the EMU.

The wide publicity given to the development of the EU can be said to be a contributing factor to its success. However, the basic economic, political and social structures were key to the overall success of the union. Therefore, there are generally applicable lessons for Nigeria and indeed the West African sub-region that illustrate what conditions are necessary and sufficient for a successful regional integration especially on the monetary union.

SELF ASSESSMENT EXCERCISE
What setbacks is the Euro experiencing currently?

3.2 Necessary conditions for success

i) Political determination and perseverance are the foundation for the success of regional integration operations. The process of integration requires wide popular support, which in itself is the up-shoot of the involvement of social and economic organizations at all stages of debate and implementation. Political will strengthened by the identification of measures that benefit all members facilitate joint decisions and further integration
ii) The means to carry out payments for settling transactions between the participating countries, which requires some degree of currency convertibility.
iii) The conduct of a country's macroeconomic policy. Monetary management is part of macroeconomic policy and the means for releasing resources for currency convertibility. This shows the importance of member countries' macroeconomic policies and the need for minimum level of coordination between them if regional integration is to be successful.

4.0 Conclusion
The most successful custom union that other world regions are learning from is the European Monetary Union (EMU).

5.0 Summary
The experience of the EMU which spans over five decades comes very handy to other sub-regional efforts to achieve a single currency.

6.0 Tutor Marked Assignment
State the conditions necessary for the success of regional integration in Europe.

7.0 References/Further Readings
Giovannini, Aberto (1990). *The Transition to European Monetary Union* Rome: Bank of Italy.

Gould, J. & Kolb, W. L. (1964) *A Dictionary of the Social Sciences* New York: The Free Press of Glencoe.

Haas, E. B. (1958) *The Uniting of Europe: Political Social and Economic Forces*. Stanford Califonia: University Press.

Haas, E. B. (1964). *Beyond the National State*: Stanford, California: Standard University Press.

UNIT 2 LESSONS FROM ASEAN

CONTENTS

1.0 INTRODUCTION

In unit 1, we reviewed the successes and the challenges of the European Union and also discussed the lessons that other integrative systems have to learn from the EU. In this unit we shall examine the successes and challenges of the ASEAN.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

a. Analyse regional integration within ASEAN
b. Compare ASEAN with SADC for instance
c. State their areas of successes and difficulties

3.0 Main Content

3.1 Lessons from the ASEAN

The epithet that describes East and Southeast Asian states denotes an aggression or fervor to develop their economies. This was a result of the bountiful and rapid growth that Asian states had in the 1980s and 1990s and their ability to recover after financial crises. The broad approach to tiger economic success is regional orientation that focuses on commodities and raw materials exports in their interactions. However, in the event of a crisis, the focus shifts away from export performance and focuses on facilitating Government welfare programmes so that citizens will save less and spend more so that the domestic market may be stimulated. The techniques that were used to overcome development challenges and financial crises may, therefore, hold valuable lessons for African states that are affected by global economic and political events, as well as their domestic challenges.

Southeast Asian states have placed regional economic integration as a top priority. ASEAN has revealed its ambitions of becoming an official economic community by 2015. ASEAN principally strives to encourage economic growth among its 10 members – Brunei, Darussalam, Cambodia, Indonesia, Laos People’s Democratic Republic (PDR), Malaysia, the Philippines, Singapore, Thailand, and Vietnam– and to promote peace and stability across the region. Inspired by the European Union (EU), ASEAN aspires to embrace financial globalisation and create a single market by eliminating regional tariffs, liberalising trade, and the movement of labour and capital.

ECOWAS, on the other hand, views itself as a capable organisation that may achieve its economic development goals with the inclusive participation of its member states and citizens. Similar to ASEAN, ECOWAS has a regional preferential trade agreement and security aspirations. However, ECOWAS faces the challenge of underperforming because its underdeveloped customs and immigration policies prevent a greater degree of regional integration.

Similar to African Regional Economic Commissions (RECs), ASEAN has been criticized “as being big on words and short on action”. This arises due to the desire to reach consensus regardless of whether the binding obligations are ambiguous, and the need to show respect for sovereignty. These aspects have culminated in the support for authoritarian leadership. ASEAN, too, is still faced with some challenges, such as managing border disputes between Cambodia and Thailand, and potential conflict in the South China Sea. Dr. Susilo Bambang Yudhoyono, President of the Republic of Indonesia, explained that their regional strength “is not in terms of military projection. Our strength lies in our capacity for dialogue, co-operation and problem solving, and our capacity to turn potential conflict into co-operation. That is why ASEAN has the responsibility to be an economic community in a global community of nations”.

Both ASEAN and ECOWAS have similar principles in terms of economic integration; however, ASEAN benefits most from its regional integration scheme because its member states have a greater competitive advantage in terms of a production base that is designed to contribute to intra-regional trade and compete in the global economy. For example, Thailand is noted to become the 23rd largest economy by 2050, because of its “well-developed infrastructure, a free-enterprise economy, generally pro-investment policies, and strong export industries.”

Various factors may influence the occurrence of a financial crisis; however, the degree to which it affects an economy is dependent on the degree to which it has been integrated with financial globalisation. It has become virtually impossible to escape financial globalisation and, in turn, a financial crisis, because the global economy is interconnected to an immense degree. Since 2000, some Southeast Asian economies have made considerable recuperation from the 1996 Asian crisis by focusing efforts on domestic markets. Although the effects of the 2009 global financial crisis were slow to reach Africa because it is not as integrated in the global economy, the reverberations were still felt on a continental scale and, therefore, affected Africa as follows: Africa experienced a decline in investment, employment, and business. Revenues were lowered, income slowed drastically, and expenses and inflation were increased. This dampened development severely, as Africa is dependent on this development to gain a competitive placing in the international economic environment in order to benefit directly and indirectly from the liberalisation and integration offered by financial globalisation.

Governments were typically spending more and selling less due to the global crisis. When deconstructed into African regions, Africa was affected in the following manner: Central Africa experienced an overall reduction from a 4.8% Gross Domestic Product (GDP) in development in 2008 to 0.9% in 2009. East African exports are typically focused on their modest manufacturing and industry products, which contributed to a substantially less hit in the GDP growth level, whereby development fell to only 3.9% in 2009 from the previous year’s 6.4%. West Africa, shared in the East’s prognosis, as they, too, experienced losses of up to 4.5% in the region’s fastest growing economies, namely Ghana and Nigeria. North Africa projected less, in terms of losses in growth, as the 2008 regional figure, standing at 4.1% and fell slightly to

3.5% in 2009. This support was due to regional giants Egypt and Morocco's diverse markets in construction and telecoms, and agriculture, respectively.

Southern Africa, however, experienced the greatest losses, as the strongest regional economic and trading power, South Africa, could not support its commodities and goods market. This contributed to losses for Botswana, Lesotho, Namibia, and Swaziland, which fell by a staggering 10%. Current account balances worsened due to high import costs and virtually no export activity in relation to the global competition. This deficit drove Governments to implement fiscal and monetary stimulus packages. The recovery prognosis showed that global and African recovery, although slow, would eventually show vitality. Although financial crises have shown to have a lesser direct affect on African regions, regional giants may carry the weight of other states to a greater extent, therefore stagnating the possibility for development. Furthermore, African economies will need to deal with their integration challenges with regard to the global economy, because the nature of the global economy is becoming more liberalized and integrated. Thus, in the future, it will become impossible to avoid the greater effects of economic crises.

An ASEAN Press statement that was taken on 1 March 2009 explained that ASEAN planned to react to the global economic and financial crisis by maintaining their 1997 Asian financial crisis reforms and agreed that the following should be done: incorporate proactive and decisive policies to enhance existing macroeconomic policies so that spending may stimulate the domestic economy, facilitate the free flow of goods, services and investment in the region, and expand efforts to mobilize organization savings to develop infrastructure. And in the event of a crisis, regional organisations such as ASEAN support member states by stimulating the domestic spending on their commodity exports.

It may not be as easy for African regional organisations to adopt this shift because they are predominantly focused on raw material exports, which has no demand in a domestic market. Consequently, Africa needs to develop its industries that contribute to African based commodity markets. For example, Thailand recovered from the 1996 Asian financial crisis by focusing on its large "machinery and electronic components, agricultural commodities, and jewelry" markets. The next global financial crisis affected Thailand's exports severely, as the GDP was reduced to 2.2%. However, Thailand's economy began to recover in 2010, as it expanded to 7.6%, "its fastest pace since 1995." Asia Development Outlook for 2011 further explains that this strong economic recovery was possible by placing an increased emphasis on private consumption.

Another tiger economy example, Vietnam, also made a great recovery. This recovery was due to the careful attention paid to the Vietnamese economy in the 1990s by strengthening market, social and political institutions, unleashing entrepreneurship and seeking investment, and intensifying international economic integration. Therefore, lessons that can be learned from Vietnam include an emphasis on attaining national stability, attracting more foreign investment, integrating into the global economy, and increasing the standard of living. What is important to note is that Thailand and Vietnam strengthened their economies by focusing on specific industries, which were once bountiful or showed similar potential. Similarly, African states should address their lucrative industries and products, but with the attitude of an

Asian tiger, which would pursue such with a great favour. Southeast Asia's expansion is expected to slow down to a degree because there may be less demand, inflation and a tighter grip on policy controls; however, the region will remain stable because of the actors concerned, as they have integrated to a greater extent than say Africa.

SELF ASSESSMENT EXERCISE

What lessons can be learned from Vietnam for South African integration?

3.2 ASEAN Lesson to West African

A positive direction for an industry to take is to develop cotton production, which, in turn, contributes to the textiles industry. There is an increased global demand in cotton; however, West African cotton producers only contribute a modest 5% to the global cotton production, compared to American and Asian producers. This industry has become highly competitive in a global context. West African cotton producers that are dependent on agricultural products for exports, such as Benin, Burkina Faso, and Gambia can benefit greatly from cotton revenue and develop domestic industries, and therefore stop relying on regional giants such as Nigeria and Côte d'Ivoire, which may be the region's Achilles heel if their oil industries fail.

As a map from the Organisation for Economic Cooperation and Development depicts, West Africa produces a cotton surplus comfortably as it only consumes approximately 10% of the 975,000 tones it produces. What is most notable is the potential that West African cotton producers have to contribute to global cotton exports. With the exception of Australia, Central Asia, and North America, other regions import up to 1,000 tones of cotton. West Africa exports the majority of its cotton into Asia. Half of the 22 cotton producing countries are from West Africa. What was found was that Francophone West African countries exported 90% of their raw cotton, while Anglophone West Africans consume up to 90% of the raw cotton locally by selling to their local textile industries. The Anglophone actions are an exemplary step towards developing domestic markets; however, in spite of this news, West African cotton is underexposed due to underdevelopment of the cotton industry, heightened competition with North America and China, and increased subsidies and import tax.

African cotton is a hot commodity to trading partners such as China or India; however, the flattery of competing trading partners vying for the purchase of unprocessed cotton should not detract from the detrimental effect of not having the opportunity to develop African textiles industries. In West Africa, there are approximately 96 ginning factories that process the raw cotton and approximately 150 factories that process the cotton into textiles, of which only 50 are operable, leaving the rest inoperable or closed. The cotton industry in Africa is not as profitable as it should be. Nevertheless, the textiles manufacturing and sales fare even less, and this should be an area of African self-sufficiency that needs be addressed. The success of the West African cotton producers depends on the level of competition between actors and textiles and the access to developing technology. How this industry can be promoted is on a regional basis by incorporating ECOWAS into regional planning to facilitate local cotton production, processing, and trade. This is important because West African Governments may base their cotton policies on divergent principles, which prevent West African neighbours from working together and liberalising their economies. If national policies were converged, then a similar access to training, input, supply, and marketing of West African cotton and textiles could be achieved.

As such, how best should West Africa adopt the proposed tiger lessons? The tiger lessons propose a heightened regional economic approach; ECOWAS provides a stellar policy framework; however, it spends the majority of its efforts in peacekeeping. The Vietnamese experience explains that state stability is paramount to economic development and, therefore, ECOWAS is fulfilling its duties to its security mandate; efforts should be steered in promoting African industries by encouraging economic and social integration. The second tiger lesson proposes that in times of an economic crisis, economic policies should promote domestic spending. Perhaps this lesson should be applied to developing countries in general in order to stimulate the domestic and international markets, so that African countries can eventually build up the capacity to compete comfortably in the global economy. Raw materials such as unprocessed cotton can develop the local industries by developing ginning and textile processing factories; therefore, creating a greater capacity for the local economy to engage in the regional and global economy.

The manner of recovery based on Asian models shifts the focus of the region’s macroeconomics and may support long-term growth as well as a sustainable re-emergence into the global economy. Although this method of recovery suggests that any region and member states concerned would most likely benefit, for African regions this may not be possible. As regional giants support Africa, there are many more states that require a great deal of support because they may have underdeveloped economies and may be experiencing political or social unrest, and therefore cannot reach a heightened level of regional integration. Furthermore, this prevents other states from developing their industries, so that in the event of a financial crisis they cannot support themselves. As such, a major lesson to be learnt from a tiger economy is that regional economic integration paired with strong consumer industries will keep a state from economic collapse, as well as promote economic development.

While it is important that African states learn from the examples that tiger economies set, it is important that the development models that have been applied in Thailand and Vietnam cannot just be applied to any African country in full. It is thus recommended that African states develop their domestic markets, whilst facilitating regional integration and developing industries that use locally farmed domestic products. This may solve the problem of selling raw materials and purchasing most commodities, which yield little profit, because Africans could then sell a raw material but process it to produce a commodity. With cotton and textiles for example; instead of selling unprocessed cotton and buying it back in terms of textiles, West Africans could both sell and create textiles. This process may be slow because of the industry’s underdevelopment; however, until this happens, many remain optimistic that “Africa will start to emerge from obscurity”.

4.0 Conclusion

An ASEAN Press statement that was taken on 1 March 2009 explained that ASEAN planned to react to the global economic and financial crisis by maintaining their 1997 Asian financial crisis reforms and agreed that the following should be done: incorporate proactive and decisive policies to enhance existing macroeconomic policies so that spending may stimulate the domestic economy, facilitate the free flow of goods, services and investment in the region, and expand efforts to mobilize organization savings to develop infrastructure. And in the event of a crisis, regional organisations such as ASEAN support member states by stimulating the domestic spending on their commodity exports.

5.0 Summary

While it is important that African states learn from the examples that tiger economies set, it is important that the development models that have been applied in Thailand and Vietnam cannot just be applied to any African country in full. It is thus recommended that African states develop their domestic markets, whilst facilitating regional integration and developing industries that use locally farmed domestic products.

6.0 Tutor-Marked Assignment

Why has ASEAN recorded more successes than SADC or ECOWAS?

7.0 References/Further Readings

Hargreave, J. D. (1969) (Ed.) *France and West Africa* New York: St. Martins Press.

Hazelwood, A. (1967). “Problems of Integration among African State” in Hazelwood, A. (Ed.) *Africa Integration and Disintegration* London: Oxford University Press.

Hazlewood, A. (1967). *African Integration and Disintegration* London: Heinemann.

Hazlewood, A. (1975). *Economic Integration: The East African Experience*. London: Heinemann.

Ingram, J. (1973). “The Case for European Monetary Integration” *Essays in International Finance No 98* Princetons New Jersey: Princeton University Press.

Karenga, M. (1982) *Introduction to Black Studies* Inglewood, Ca: Kakwaida Publications

Kisanya, E. J. (1984). “Regional Cooperation: Challenge for the Continent Africa now”. *Africa Now*

Lindberg, L. (1963) *The Political Dynamics of European Economic Integration* Stanford Calif: Stanford University Press.

Lindberg, L. (1963). *The Political Dynamics of European Economic Integration* Stanford Calif: University Press.

UNIT 3 LESSONS FROM AFRICA

CONTENTS

1.0 INTRODUCTION

In the last unit, we examined and identified the areas of successes and difficulties in ASEAN and then compared it to both SADC and ECOWAS. In this unit we shall look into what Africa has achieved so far in its integration efforts.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

a. Provide a convincing argument in support of regional integration in Africa

3.0 Main Content

3.1 Lessons from Africa

In evaluating the net gains from a customs Union, trade creation needs to be compared with trade diversion. In general, trade creation is likely to predominate over trade diversion, the larger the union and the lower the common external tariff. The larger the CU, the greater the scope for trade creation and the lower the common external tariff (CET), the less trade diversion there is likely to be. It is possible however, even if the CU as a whole is on balance trade creating, that at least one country may lose. Likewise, it is possible for at least one country to gain even if the union as a whole is, on balance, trade diverting. Everything depends on circumstances.

These varying positions have been established in theory. As a background of lessons from varying integration experiences, it is important to note that apart from trade creation and trade diversion effects, customs union may also have other important effects associated with the enlargement of the market which are in most cases neglected in static analysis. First, the larger markets may generate economies of scale. If there are economies of scale, the common external tariff can be lower than the original tariff in both partner countries. There will be normal trade creation effect and at saving in both countries. Secondly, integration is likely to promote increased competition which is likely to affect favorably, prices and the widening of markets within a union is likely to attract international investments. Producers will prefer to produce within the union rather than face a common external tariff from outside. Finally, if the world supply of output is not infinitely elastic, there are terms of trade effects to consider, world price of the good will fall, moving the terms of trade in favor of the customs union. This term of trade effect represents a welfare gain, which may partly offset the welfare loss of trade diversion.

The argument that regional integration arrangements tend to increase policy credibility is now well known. This argument was illustrated by Whalley (1996) on

NAFTA, Francois and Subramanmam (1998) on the European Union - Mediterranean RIA and Baldwin, Francois and Portes (1997) in terms of empirical evidence. The essence of this argument is that a regional integration arrangement (RIA) might help to enhance policy credibility by "looking in" trade reforms. This is particularly true since in many developing countries economic reforms frequent1y lack credibility because of time inconsistency and asymmetric information problems.

Regional integration arrangements in Africa have, in general, not significantly improved intra-regional and intra-African trade. In virtually all cases reviewed, the volume of intra-regional trade has stagnated or even declined slightly, and there have been no changes in the composition of trade indicating that integration has not led to any significant structural change in the economies concerned. Empirical results based on gravity models suggest that Africa's intra-regional trade is not necessarily low because of factors that work differentially against it, but rather that it is naturally low. In particular of these gravity-model-based empirical studies (e.g. Foroutan and Prichett, 1993; Ogunkola, 1993) show that the low levels of intra- African trade are essentially explained by structural factors like low income, and large intra-country distances rather than by a peculiar policy-induced bias against regional trade. The intra-WAEMU trade ratio is roughly twice that of intra-ECOWAS trade ratio and this further suggest that WAEMU's strong monetary integration played a significant role in stimulating intra-regional trade flows. However, this conclusion must be diluted by the recognition that the same degree of monetary integration does not appear to have intra-regional trade in UDEAC/CEMAC whose intra-group trade ratio was much lower than that of ECOWAS.

A consensus seems to have developed around the broad conclusion that Africa's RIAs have not succeeded in expanding intra-African trade, increasing Africa's total trade or enhancing the regions overall economic growth. This outcome can be traced to several factors. First, it can be pointed out that the regional integration schemes employed are probably not the appropriate mechanisms for achieving the goals of integration. Secondly, the type and formal structure of' the arrangements adopted are unsuitable. Thirdly, the initial conditions prevailing in Africa and the structural characteristics of many of the African countries involved in the various regional integration schemes could not have facilitated their successful implementation. Fourthly, in many cases, the schemes were not fully implemented in a timely manner. Lastly, in virtually all integration schemes reviewed, we discover that one out of others is overburdened with the responsibilities of finance, market and leadership while others remain redundant. Thus, Africa's regional integration arrangements have suffered from both design and implementation problems, which in turn, probably reflect the failure to take account of the initial conditions and structural characteristics of African economies.
From the review, most African regional integration schemes have not achieved full integration and the domestic policy in individual member countries have also been generally at variance with the ideals of harmonized and coordinated pursuit of regional objectives. Aside these factors, the lack of regional level monitoring of the implementation of decisions; the apparent unwillingness of governments of member countries to cede authority to the regional bodies; and the consequent lack of resources and power by the regional Secretariats to take initiatives and promote regional respective are also among the factors that have contributed to the inadequate outcomes. In addition, non-compliance with and delayed implementation of agreed

trade liberalization schedules have constrained intra-regional trade expansion; while in many inadequate infrastructure and other constraints continue to contribute to high transaction costs which limit trade and investment. A particular challenge comes from the elimination of non-tariff barriers, and the simplification of rules of origin and value-added criteria. Import licensing, removal of foreign exchange restrictions and taxes on foreign exchange, removal of import and export quotas, removal of road blocks, easing of custom formalities, extending the opening hours of border posts to mention but few, could make a lot of improvements.

The absence of effective compensation mechanism has further hindered, the implementation of regional integration arrangements in Africa. Economic integration cannot be viable unless member states perceive themselves as net beneficiaries. In the African context, several measures have been tried to achieve the objective of fair distribution of costs and benefits, and a good deal of lessons have been learnt from the experience. The expectation for the future is that a combination of fiscal transfers with measures to encourage the flow of investment funds from the more advanced to the less advanced members of the integration groupings, may be more successful than fiscal transfers alone.

The relevance and significance of the factors responsible for such disappointing, results are perhaps, more easily grasped against the background of the motivations, objectives, and model of regional integration adopted in Africa. Africa's regional ration movement has been driven by a key set of considerations. One of these emanates from the recognition that the small size of the typical African economy places a considerab1e constraint on rapid and self-sustained economic development. There are, at least, two broad goals implied by this rationale for regional integration. One is to expand intra-regional trade and the other is to promote industrialization and overall growth. In this regard, the expansion of intra-regional trade is stimulated through the liberalization of trade barriers within the integrated region. The second goal requires that the regional integration be viewed, in its early phase, as an inward-looking instrument of industrialization. The infant industries that develop and grow under this regional import-substitution-industrialization environment could first learn to produce and "export" within protected regional market "and, eventually, become sufficiently efficient to face world competition without further assistance.

4.0 Conclusion

From the review, most African regional integration schemes have not achieved full integration and the domestic policy in individual member countries have also been generally at variance with the ideals of harmonized and coordinated pursuit of regional objectives.

5.0 Summary

The relevance and significance of the factors responsible for such disappointing, results are perhaps, more easily grasped against the background of the motivations, objectives, and model of regional integration adopted in Africa. Africa's regional integration movement has been driven by a key set of considerations. One of these emanates from the recognition that the small size of the typical African economy places a considerab1e constraint on rapid and self-sustained economic development.

6.0 Tutor-Marked Assignment

In not less than two pages give a strong and convincing argument in favour of regional integration in Africa.

7.0 References/Further Readings

Hargreave, J. D. (1969) (Ed.) *France and West Africa* New York: St. Martins Press.

Hazelwood, A. (1967). "Problems of Integration among African State" in Hazelwood, A. (Ed.) *Africa Integration and Disintegration* London: Oxford University Press.

Hazlewood, A. (1967). *African Integration and Disintegration* London: Heinemann.

Hazlewood, A. (1975). *Economic Integration: The East African Experience*. London: Heinemann.

Ingram, J. (1973). "The Case for European Monetary Integration" *Essays in International Finance No 98* Princetons New Jersey: Princeton University Press.

Karenga, M. (1982) *Introduction to Black Studies* Inglewood, Ca: Kakwaida Publications

Kisanya, E. J. (1984). "Regional Cooperation: Challenge for the Continent Africa now". *Africa Now*

Lindberg, L. (1963) *The Political Dynamics of European Economic Integration* Stanford Calif: Stanford University Press.

Lindberg, L. (1963). *The Political Dynamics of European Economic Integration* Stanford Calif: University Press.

UNIT 4 CONDITIONS FOR SUCCESS OF REGIONAL INTEGRATION IN AFRICA

CONTENTS

1.0 INTRODUCTION

In previous unit we looked into what Africa has achieved so far in its integration efforts and in this unit we shall assess the conditions necessary for success of regional integration in Africa.

2.0 OBJECTIVES

At the end of this unit, you should be able to:

a. Explain the conditions that are necessary for the success of regional integration in Africa.

3.0 Main Content

3.1 Conditions for Success of Regional Integration in Africa

For a regional integration scheme based on this model to succeed, some conditions need to be satisfied. Prior to regional integration, there should be high levels of trade between the integrating member countries. There should also be substantial complementarities in goods and factors among regional partners. Furthermore, intra-regional trade expansion will be facilitated by differences among regional partners in per capita income and, consumption patterns, that translate into significant potentials for product differentiation and stratification according to taste and income level and, hence, trade. The success conditions for regional integration are many, varied and difficult to achieve. This difficulty has continued to constrain African efforts from the beginning. Most African countries lack the structural complementarities that could be relied upon to generate appreciable gains from specialization based on regional integration. Most African countries are excessively dependent on the production and exportation of a few primary products, which face a declining income elasticity of demand in the international market. They are also excessively dependent on importation of industrial capital goods and manufactured consumer goods. With such a narrow pattern of trade, regional integration, which is based on discriminating trade liberalization, would not be expected to generate intra-regional trade. Also with such a pattern of trade, the continent stands little of benefitting from a policy of multilateral free trade, since the gains from free trade will disproportionately accrue to the countries with diversified and demand-attractive export baskets that have greater appeal to the growth in world income. Thus, the success closed or open regionalism will depend crucially on efforts to diversify the production pattern towards more income attractive products.

The mere fact that we reviewed the European Union is not that it's a recipe model success that could be used in other regions. EU is also faced with its incessant problems, but again, lessons can be learnt from its experience. For a successful integration scheme in Africa, there must be a strong political will from member countries. The process of integration requires wide popular support, which itself is the offshoot of the involvement social and economic organizations at all stages of debate and implementation. Political will also strengthened by the identification of measures that benefit all members, facilitate joint decisions and further integration. With each step toward integration, it is necessary to show that each participating country will be better off in some way, either directly, through compensation or as a result of other integration measures negotiated at the same time.

Another major ingredient for success in regional integration is the means to carry out payments for settling transactions between the participating countries, which requires some degree of currency convertibility. Financial settlements between countries do not necessarily call for a monetary union, although it could be desirable at a later stage. The EU is a good example, first came the ECU then the EMS, and currently the Central Bank. It was a gradual process, but the convertibility of all the member state's currency ensured that intra-community trade was never hampered. Admittedly, a monetary union greatly facilitates any integration process. But judicious monetary management and the setting of a realistic exchange rate for the national currencies are of most importance in ensuring a minimum level of convertibility.

Specific cases need be used to qualify this overall assessment. In this context, it should be noted that the initial conditions and structural features of some of the regional integration schemes were more conducive to higher intra-regional trade flows than in others. For example, it can be argued that the countries of WAEMU do have some complementary structures in the form of inter sectoral division of labour between member countries such as Burkina Faso and Mali which are primarily agricultural exporters and Cote d'Ivoire and Senegal which are relatively more industrialized. In addition, labour mobility appears to be high in the WAEMU; and the existence of rail links between most of its member countries together with the common French language and common CFA currency suggest that transaction costs may well be lower than in several of the other African regional integration schemes.
SACU exhibits some of these advantages as well. Even more than in the case of WAEMU, the presence of a dominant economy (South Africa) surrounded by four small ones, the regions relatively low transport costs, high factor mobility, common language and significant monetary integration appear to have been responsible for SACU's history of high intra-regional trade. It should be noted finally, that the conduct of a country's macroeconomic policy is an important key to a successful integration scheme. No regional integration is possible unless each country has some minimum control on the measure for internal economic development. This is not to confuse regional integration as an alternative to development. It is when individual countries macroeconomic policies are well coordinated and streamlined that we can look forward to harmonizing macroeconomic policies.

4.0 CONCLUSION

The success conditions for regional integration are many, varied and difficult to achieve. This difficulty has continued to constrain African efforts from the beginning. Most African countries lack the structural complementarities that could be relied upon to generate appreciable gains from specialization based on regional integration. Most African countries are excessively dependent on the production and exportation of a few primary products, which face a declining income elasticity of demand in the international market.

5.0 SUMMARY

In summary, the assessment of the record of performance of African regional integration arrangements shows that they have not been as beneficial to the region as policy makers had hoped. African countries have exhibited few of the features that are normally associated with successful trade-focused regional integration schemes. It is high time, African governments reviewed more seriously their various integration schemes.

6.0 Tutor-Marked Assignment

Identify some of the major conditions necessary for regional integration in Africa.

7.0 References/further Readings

Hargreave, J. D. (1969) (Ed.) *France and West Africa* New York: St. Martins Press.

Hazelwood, A. (1967). “Problems of Integration among African State” in Hazelwood, A. (Ed.) *Africa Integration and Disintegration* London: Oxford University Press.

Hazlewood, A. (1967). *African Integration and Disintegration* London: Heinemann.

Hazlewood, A. (1975). *Economic Integration: The East African Experience*. London: Heinemann.

Ingram, J. (1973). “The Case for European Monetary Integration” *Essays in International Finance No 98* Princetons New Jersey: Princeton University Press.

Karenga, M. (1982) *Introduction to Black Studies* Inglewood, Ca: Kakwaida Publications

Kisanya, E. J. (1984). “Regional Cooperation: Challenge for the Continent Africa now”. *Africa Now*

Lindberg, L. (1963) *The Political Dynamics of European Economic Integration* Stanford Calif: Stanford University Press.

Lindberg, L. (1963). *The Political Dynamics of European Economic Integration* Stanford Calif: University Press.

Bibliography and References

Adeniran, T. (1983) *Introduction to International Relations* Ibadan:Macmillan Nigeria Limited.

Asante, S. B. (1989). *The Political Economy of Regionalism in Africa: A decade of ECOWAS.* Boulder: West view Press.

Balassa, B. (1961). *The Theory of Economic Integration* Homewood III: Irwin.

Bellassa, B. (1964). *Theory of Economic Integration* Homewood Illinois: Richard D. Irwin Inc.

Bo, S. & G. Reed (1994). *International Economics* London: Macmillam Press Ltd, Third Edition.

Breslin, S. Hughes, C. Philips, N. & Rosamond, B. (2001) *Regionalism in the Global Political Economy: Theories and Cases*. London: Routledge.

Burley, A. M. & Mattli, W. (1993) "Europe before the Court: A Political Theory of Legal Integration" *International Organization Number 47, Volume 1*.

Cameron, D. (1992). "The 1992 Initiative: Causes and Consequences". In Sbragia, A. (Ed.) *Euro-Politics Institutions and Policy making in the 'New' European Community* Washington: The Brookings Institute.

Camilleri, J. (2003). *Regionalism in the new Asia-Pacific Order* Cheltenham: Edward Elgar.

Coleman, W. D. & Underhill, G.R. (1998) *Regionalism and Global Economic Integration: Europe, Asia and the Americas*. London: Routledge.

Davidson, B. (1966) *A History of West Africa* Garden City, N.Y.: Anchor books.

De Grauwe, P. (1992). *The Economics of Monetary Integration* New York: Oxford University Press.

De Melo, J. & Panagariya, A. (Eds) (1993) *New Dimensions in Regional Integration* Cambridge: University Press, Cambridge.

Deutsch, K. W. et. al (1957) *Political Community and the North Atlantic Area* Princeton: Princeton University Press.

Deutsch, K.W. (1957) et al. *Political Community and the North Atlantic Area* Princeton: University Press. Princeton

Dike, K. O. (1965) *Trade and Politics in the Niger Delta* Oxford: Oxford University Press.

El-Agraa, A. M. (1989) *The Theory and Measurement of International Economic Integration* New York: St. Martins.

Etzioni, A. (1965). *Political Unification* New York Holt Rinchart and Winston

Etzioni, A. (1965). *Political Unificatio* New York: Holt Rinchart and Winston.

Eze, O. & Sesay, A. (2010) *Africa and Europe in the Twenty First Century*. Lagos: NIIA.

Fage, J. D, (1969). *A History of West Africa* Cambridge: University of London Press.

Farrell, M. & Hettne, B. (2005) *Global Politics of Regionalism* London: Pluto Press.

Fitch, B. & Oppenheimer, M. (1966) *Ghana End of an illusion* New York: Monthly Review Press

Fogel, R. W. & Engerman, S. (1974). *Time on the Cross* Boston: Little, Brown and Co.

Francois, C. A. & Subramanian, A. (1998) "Beyond Trade: Regional Arrangements as a Window on Globalization", in In Z. Igbal and M. S Khan (Eds). *Trade Reform and Regional Integration in Africa, IMF*. Washington, DC: IMF.

Francois, C.A. & Subramaniam A. (1998) "Beyond Trade: Regional Arrangements as a Window on Globalization". In Igbal, Z. and Khan, M. S. (Eds) *Trade Reform and Regional Integration in Africa IMF* Washington DC IMF

Frankel, J. (1973) *Contemporary International Theory and the Behavior of States* London: Oxford University Press.

Giovannini, Aberto (1990). *The Transition to European Monetary Union* Rome: Bank of Italy.

Gould, J. & Kolb, W. L. (1964) *A Dictionary of the Social Sciences* New York: The Free Press of Glencoe.

Haas, E. B. (1958) *The Uniting of Europe: Political Social and Economic Forces*. Stanford Califonia: University Press.

Haas, E. B. (1964). *Beyond the National State*: Stanford, California: Standard University Press.

Hall, P. A. (1986). *Governing the Economy: The Politics of State Intervention in Britain and France,* London: Polity Press.

Hall, P. A. (1989). *The Political Power of Economic ideas: Keynesianism Across Nations*. Princeton NJ: Princeton University Press.

Hargreave, J. D. (1969) (Ed.) *France and West Africa* New York: St. Martins Press.

Hazelwood, A. (1967). "Problems of Integration among African State" in Hazelwood, A. (Ed.) *Africa Integration and Disintegration* London: Oxford University Press.

Hazlewood, A. (1967). *African Integration and Disintegration* London: Heinemann.

Hazlewood, A. (1975). *Economic Integration: The East African Experience*. London: Heinemann.

Ingram, J. (1973). "The Case for European Monetary Integration" *Essays in International Finance No 98* Princetons New Jersey: Princeton University Press.

Karenga, M. (1982) *Introduction to Black Studies* Inglewood, Ca: Kakwaida Publications

Kisanya, E. J. (1984). "Regional Cooperation: Challenge for the Continent Africa now". *Africa Now*

Lindberg, L. (1963) *The Political Dynamics of European Economic Integration* Stanford Calif: Stanford University Press.

Lindberg, L. (1963). *The Political Dynamics of European Economic Integration* Stanford Calif: University Press.

Machlup, F. (1976) "A History of Thought on Economic Integration" In Fritz Machlup (Ed.) *Economic Integration: World Wide, Regional and Sectoral.* London: Macmillan Press.

Mambara, J. L. (2007), *Assessment of Benefits of Regional Integration in SADC and COMESA-A Gender Analysis*, Harare: Trade and Development Studies Centre.

Mytelka, L. K. (1979). *Regional Development in a Global Economy* Yale: Yale University Press.
Nyongo, P. A. (1993) (Ed.) "Regional Integration, Security and Development in Africa" In Obasanjo O, and Mosha, F. G. (Eds) *Africa Rise to Challenge* Ota: Africa Leadership Forum (ALF) Publications.
Ogunkoya, E. O. (1993) "An Empirical Evaluation of Trade Potential in Tanzania" *Memeo* Nairobi: AERC.
Ojo, O. (1980). "Nigeria and the Formation of ECOWAS" *International Organization, 344* (Auturm)
Onwuka, R.I. & Sessay, A. (1985) (Eds) *The Future of Regionalism in Africa* London: Macmillan Press.
Rhodes, R. A. W. (1997) *Understanding Governance. Policy Networks, Governance, Reflexivity and Accountability*, Open University Press.
Richard, H. (1975) (Ed.) *The Political Economy of Africa* Cambridge, Mass: Schenkman Publishing Co.

Robson, P. (1983). *Integration, Development and Equity: Economic Integration in West Africa.* London: Allen and Unwin.

Rosamond, B. (2000). *Theories of European Integration* Palgrave: Macmillan Press.

Sachs, J. & Warner, A. (1996) "Sources of Slow Growth in the African Economics", *Harvard Institute of International Development* Harvard: Harvard University and Cambridge, Mass Processed.

Sbragia, A. (Ed.) *Euro-Politics: Institutions and Policy making in the 'New' European Community.* Washington: The Brookings Institute.

Scitovsky, T. (1958) *Economic Theory and Western European Integration* London: Allen and Urwin

Seligson, M. A. "The Dual Gap: An Overview of Theory and Research". In Seligson, M. A. and Passe-Smith, J. T. (Eds.) *Development and Underdevelopment: The Political Economy of Global Inequality.* London: Boulder.
Sesay, A., Olayode, O. & Omotosho, M. (2008) "Africa and South-South Cooperation: Opportunities and Challenges". In Dargin, J. (Ed.) *South-South Cooperation in the Global System* Harvard: Harvard University Press.
Steinmo, S., Thelen, K. and Longstreth, F. (1992) *Structuring Politics Historical Institutionalism in Comparative Perspective* Cambridge: Cambridge University Press
Stevens, S. P. (2006) *Turning Sierra Leone into a Republican State* Freetown: Government Printer.
Sullivan, D. & Radebaugh, L. (2003) *International business: Environments and Operations*". New Jersey: Prentice Hall.
Tokuta, R. A. (1984). "ECOWAS Treaty and the East African Common Market Compared". In Akinyemi, A. B. et al. (Eds) *Reading and Documents in ECOWAS*
Udo, R. K. (1978) *A Comprehensive Geography of West Africa* New York: Africana Publishing Co.
Viner, J. (1950) *The Custom Union Issue* New York: Carnegie Endowment for International Peace.

Wallerstein, E, (1961). *Africa: The Politics of Independence*. New York: Vintage Books.

Weigall, D. & Stirk, P. (1992) (Eds) *The Origins and Development of the European Community* Leicester: Leicester University Press.

Wiener, A. & Diez, T. (2004) *European Integration Theory* Oxford: Oxford University Press

Williams, C. (1976). *The Destruction of Black Civilization* Chicago: Third World Press.

Wright, S. & Okolo, J. E. (Eds.) *West Africa: Regional Cooperation and Development.* Boulder: West view.