

VIII. The Global Proliferation of Region-Building

1. Assessing Stages: From Decolonization to Globalization

European integration has gained global interest. Increasingly, European integration is perceived as a source of inspiration for processes of regional cooperation and integration around the world. The European integration experience cannot be used as a simple “role model” to be emulated under contingent conditions. On the other hand, symmetric developments in other parts of the world are not a necessary precondition to prove the global relevance of European integration experiences. European integration does not serve as a static model that can be proliferated: Neither European sources nor goals and neither European governance structures nor institutions can be found as identical copies elsewhere in the world. Yet, growing reference is made in other parts of the world to the European integration experience as other schemes of cooperation and integration are being reexamined, streamlined and strengthened. In the course of the twenty-first century this shared experience with regional integration will reflect the global proliferation of regional integration schemes on regional developments, governance structures, cultural identities and – last but not least – world order-building.

The global proliferation of regional integration coincides with a more assertive global role of the European Union. Through EU policies, the European Union supports regional integration efforts elsewhere. Since the late twentieth century, EU policies and instruments of cooperation with other regions have broadened: from trade to economic integration (EU relations with the Gulf Cooperation Council), from developmental aid to association and political cooperation (EU relations with MERCOSUR, the Andean Community and the Central American Integration System), from trade to development and governance issues (EU relations with the partner countries of the Cotonou Agreement in Africa, the Caribbean and the Pacific), from economics to a preferential strategic partnership (EU relations with ASEAN). None of these developments are static or have achieved final results. Over time, some processes of bi-regional cooperation might become more stable, sustainable and successful than others. Some of them are responses to past experiences with bi-regional cooperation or even a remote echo of colonial and post-colonial memories. Others are a reaction to “globalization” and the global role of the United States. Most relations between the European Union and regional integration schemes elsewhere are asymmetrical, with the EU being more politically integrated, more law-based and economically much stronger than most other forms of regional integration. In this context it is also revealing that the two regions with the lowest degree of regional integration efforts – Northeast Asia and the Broader Middle East – are the most difficult geopolitical regions in contemporary world affairs.

And they are the source of many differences, if not controversies between the European Union and the United States.

Academic literature about the global proliferation of regionalism is confusing because of its use of confusing definitions of regionalism. “Open regionalism,” “new regionalism,” “regional cooperation,” “regional integration,” “sub-regionalism” or “regionalization,” these are but some of the terms used to characterize trends and processes of different structures, speed and depth. Those who compare the European Union with other regional cooperation and integration schemes tend to underestimate the relevance and strength of the political and legal character of the EU: regional integration in Europe is more than economic cooperation. Often, the comparison tends to be too static to the detriment of non-European integration efforts, thus failing to sufficiently take into account the dynamics of the evolving character of integration formation outside Europe. It is not convincing to conclude that while no regional integration scheme outside Europe has yet reached the EU level of supranationality, they are doomed to remain flawed and irrelevant. It is also not sufficient to base the comparison on criteria of economic power by concluding that the economic giant EU is incomparable with, for instance, the Caribbean Community because of grossly disparate GDP rates. It has become necessary to broaden the scope of comparative regional integration studies. Global proliferation of regional integration will have to be taken seriously in light of a combination of two sets of experiences. On the one hand, it is important to understand regional integration as a process of contingent historical circumstances, specific combinations of challenge and response and local conclusions and consequences. On the other hand, regional integration is linked to global trends in politics and economics. It is an indigenous response to exogenous challenges as much as it is a local scheme that might echo distant experiences of others. Comparative global regionalism will be a source of useful and valuable new research efforts in the years to come.

This effort will reflect the growing relevance of integration processes in many regions of the world. Area studies will have to be linked with studies about the relationship between democratic transformation and the evolution of regional stability. Research must also consider regional developments of integration or cooperation in light of specific regional economic, social, cultural, political and security challenges. The global proliferation of regional integration schemes has to be put into its specific historical, cultural, socio-economic and political context. It must generate multidimensional approaches of comparative research regarding motivation, structure, function, scope, depth and deficits of regional integration schemes that exist in the world of the early twenty-first century.

Can we talk about the logic of integration?¹ As much as any other historical determinism, the notion of seemingly inevitable path dependencies of regional integration must be rejected. There is simply no law of history that unfolds in a global and universally applicable form. By the same token, it would be misleading to assume that regional integration could be modeled and made suitable for export and implementation elsewhere. Integration can fail (as happened in East Africa in the mid-1970's). It can also endure divergent modes, patterns and processes. It can regain strength after periods of weakness. At least since the turn of the century, global proliferation of regional cooperation and integration has begun to re-map the world. With the end of the Cold War and communist dictatorships, the distinction between a first and a second World has dissolved. The transformation experiences in post-communist countries have substituted geographical and cultural fixations that existed over decades. Realignments such as the inclusion of Central European countries in NATO and the European Union have happened, but also the revival of Russia's Great Power status as a neo-autocracy in the midst of enormous economic impoverishment, and the reemergence of Central Asia as a geopolitical fact. As the transformation agenda for politics, culture and the economy has developed since the last decade of the twentieth century, also the developing world – traditionally labeled Third World – has undergone transformations of great magnitude. The global proliferation of regionalism renders dubious the very idea of a seemingly cohesive Third World. In socio-economic terms, the distinction between "newly industrialized countries," "threshold countries" and "least developed countries," measured by indicators of human development and criteria for good governance, has long since supported a differentiated perception. With the global proliferation of regional integration and cooperation on a continental scale, the very term Third World must be replaced by a new understanding of the world's continents and specific regions on these continents. Regional integration brings geography and proximity, but also culture and identity, back to the study of world politics and developmental issues.

To understand the global proliferation of regional integration, it is useful to distinguish historical periods in the evolution of sovereignty. It is important to reconsider the two faces of sovereignty outside of Europe as much as this has been relevant in order to understand the evolution inside Europe: sovereignty as state sovereignty and sovereignty as popular sovereignty. To link regional integration with the evolution of the sovereign state is one important perspective. To link it with the evolution of popular sovereignty – that is to say with the relevance of democratic governance and rule of law among the participating members of an integration scheme –

1 Mattli, Werner, *The Logic of Integration: Europe and Beyond*, Cambridge/New York: Cambridge University Press, 1999, on the theoretic and methodological connotations of this issue see: Murray, Philomena, "Towards a Research Agenda on the European Union as a Model of Regional Integration," *Asia-Pacific Journal of EU Studies*, 2.1(2004): 33-51.

is the other important European experience that needs to be reconsidered when embarking on global comparative efforts regarding regional cooperation and integration.

As much as sovereignty – both state sovereignty and popular sovereignty – has undergone different phases in its development during the twentieth century, concepts of integration and experiences with integration schemes have been transformed. None of this has followed universal patterns. But it is imperative to link the focus of research across stages of time, conceptual reconfigurations and impacts on complex regional processes. In doing so, it might be helpful to understand two distinct stages in the relationship between sovereignty and regional integration outside as well as inside Europe.

Stage One: Europe emerged destroyed from the ashes of two World Wars and found itself divided along highly ideological and rigid geopolitical lines. Democratic countries began to rebuild Europe through the mechanism of integration. At the same time, the process of decolonization continued, reflecting causes and effects of Europe’s “de-empowerment” in the twentieth century. Originally, the newly independent countries of the Southern hemisphere copied European concepts of state-building based on rigid notions of national sovereignty. In many developing countries, the hope for democratic statehood was challenged in the name of national unity. Often, notions of state sovereignty and claims to popular sovereignty clashed in what came to be understood as the Third World. Concepts for regional cooperation and integration often remained a defensive response to the process of decolonization, if not an element of it. They occurred under conditions of weak sovereignty, both in its state and its governance dimension. Weak economies and enormous social pressure due to high poverty levels refocused the priorities of most developing countries. While transnational cooperation and integration were rhetorical invocations, the prime focus was on state-induced socio-economic development and nation-building. The state was considered to be the promoter of nation-building, and the more its capacities were involved in this process, the more it fell short of engaging in regional cooperation, let alone integration. But in the end, neither democracy nor support for trans-national cooperation or even regional integration was achieved in many developing countries.

During the 1960’s and 1970’s, Europe was still perceived as a (post)-colonial continent while its new reality of democratic integration was still fragile and confronted by many internal challenges and backlashes. The 1980’s, and more so the 1990’s, brought about two new elements in the relationship between the European integration experience and the evolution of regional integration in other parts of the world: 1. European integration gained speed and substance, increasingly being rooted in a common European law and leading to the implementation of a Single Market with a common currency and the beginning of political union. 2. The Third World began to undergo enormous differentiations with some regions – notably South East Asia and parts of Latin America – improving considerably. Many developing regions began to

reconsider national strategies of import-substitution that had dominated much of the “Third World” during the 1960’s. Export-oriented integration into the world market, linked with the use of comparative regional advantages began to prove successful. Most prominently, ASEAN became a case in point although ASEAN integration structures initially did not aspire to the European degree of supranationality. ASEAN proved that stronger national sovereignty would benefit from strengthened regional cooperation and integration that in turn would strengthen the national ambitions of economic and political development.

Stage Two: Three developments coincided during the 1990’s and into the early twenty-first century. First, the European integration process became serious, while at the same time the perception of Europe in the developing world changed from post-colonial suspicion to the recognition of the EU as model for regional peace, affluence and stability. The EU’s constitutionality will bring about continuous empirical and theoretical clarification and new contestations at each level of agreement. This constitutional interpretation and review will continue to transform politics in the European Union from a sphere of negotiated compromises in elite-institutions to a sphere of publicly debated goals. It will continue to politicize the integration process and strengthen the claim that the EU is a community of destiny. The idea of Europe being a community of values increasingly generates a legal framework and becomes a political fact. The European Union has consolidated its law-based role as the expression of political Europe. This new Europe is perceived elsewhere on the basis of attitudinal changes: The Europe of the twenty-first century is recognized for its will to partnership. Second, geopolitical and geo-economic trends usually characterized as “globalization,” coupled with the experience of the United States as the dominant power of the world system, led to reconsiderations of both national policies and regional perspectives in all continents. Third, the fall of communist dictatorships and the Soviet Empire brought about a reassessment of the advantage of democratic governance, rule of law and trans-border cooperation in many developing countries. The conditions for successful development and the resolution of regional conflicts were re-evaluated in light of the European integration experience. This was even the case in Russia and in some of the other successor states of the Soviet Union.

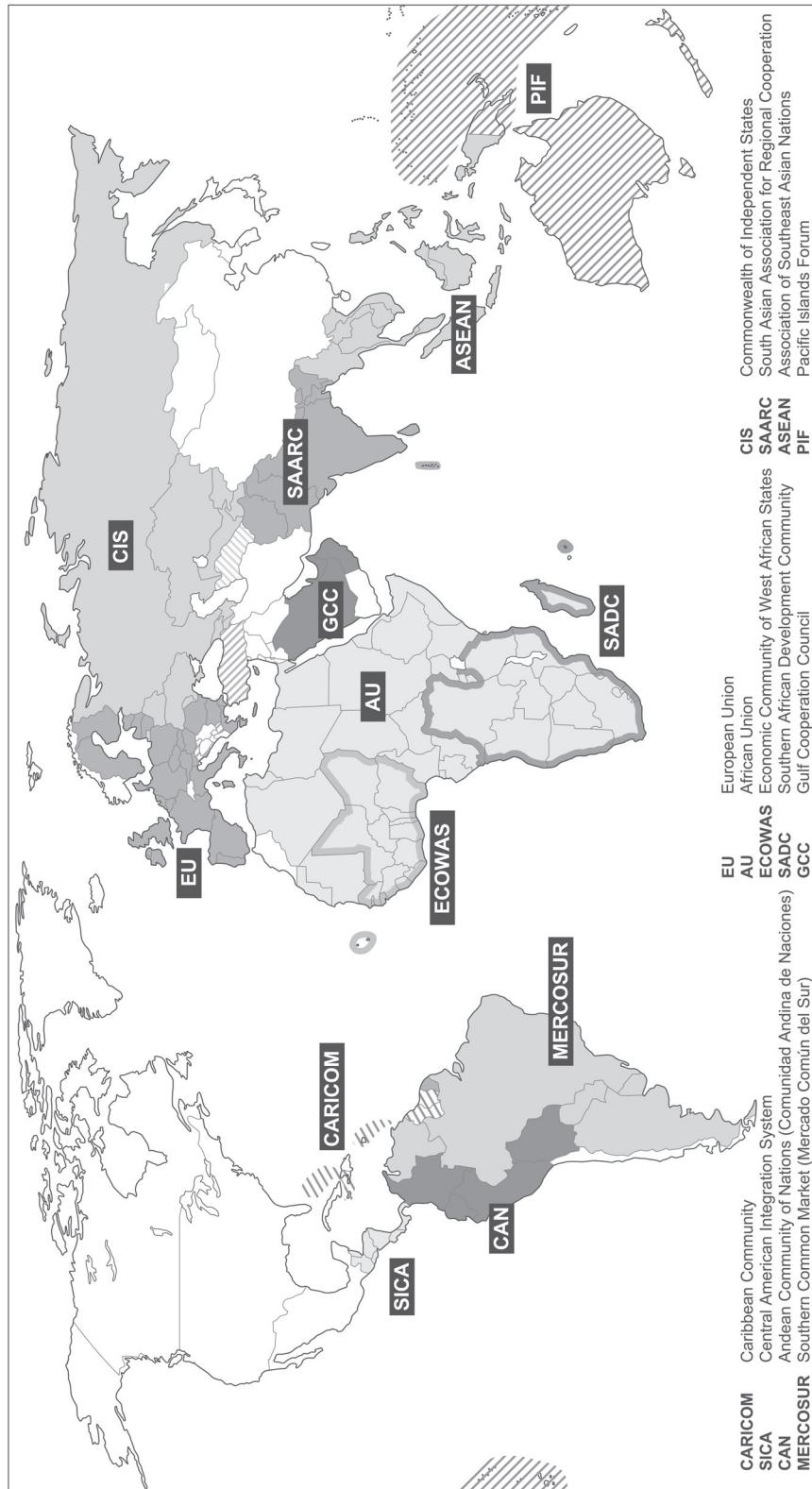
These trends have opened the way to a remapping of the world, based on the characteristics of continents rather than on numerical concepts of a “first,” “second” and “third” world. It has led to an increase in regional, continental and global cooperation efforts, to regulatory processes and continental structures favoring free trade and necessary arbitration mechanisms (WTO, ASEM, NAFTA, ALCA, Euro-Mediterranean Partnership). This development went hand in hand with a more assertive European Union encouraging developing regions and post-conflict regions to resort to patterns of integration. Finally, these trends have brought about the reinvention of some older cooperation schemes in various parts of the world, often coupled with a trend toward

political and economic integration along the line of European experiences. This does not suggest that the economic success of Europe could immediately be copied by other regional arrangements. Neither does it imply that the European response to the challenge of state-building and nation-building under conditions of democratic integration could be transferred to other regions as if European developments of supranational and intergovernmental integration were an export product. The global proliferation of regional integration does not automatically generate a cohesive multipolar world order. Traditional soft and hard power factors linked to nation states in their highly diverse and extremely asymmetrical distribution continue to shape much of the twenty-first century. Yet, more attention should nevertheless be given to the global proliferation of regional integration schemes, including in transatlantic discourses about the emerging world order. The global proliferation of regional integration is relevant for America's understanding of global trends, although the United States as a country of continental dimensions seems to be largely unaffected by the new surge of interest in and support for regional integration. US interests are primarily defined by the concept of free trade without sufficient sensitivity for the psychological, cultural (including geographical) and political components of integration patterns elsewhere, including the European experience.

New mental maps of world politics and international relations are not the linear outcome of one-dimensional trends, no matter how recurring and strong they might be. The global proliferation of regional integration efforts cannot immediately revolutionize notions of sovereignty, international relations, economic power and patterns of state behavior across the globe. Such an assumption would be unrealistic. The degree of its impact is gradual and long-term. With this qualification, the prediction can be made that the twenty-first century will experience a greater surge of regional integration – beyond the formation of free trade zones – in various regions of the globe than during any former time in the history of statehood. As much as this emulates the European experience with regional integration, it also constitutes a revival of Europe's global role. The success of Europe's ability to share its integration experiences does not depend upon linear copies. The most solid and lasting success for Europe might rather occur through indirect and contingent means of an “experience transfer:” An applied local adaptation of European insights into integration will most likely generate highly diverse integration schemes elsewhere. Yet it may emulate the European integration experience and hence express a new global respect for Europe.

Ongoing differences in the economic and social status across the world's regions have to be taken into consideration. Yet, European integration can be an important point of reference, also for island nations in Oceania whose collective GDP is below one percent of Europe's GDP.

Map 2: Global Proliferation of Regional Integration



A general insight is valid and noteworthy: As weak sovereignties generate weak integration schemes, anywhere in the world integration can support, if not generate, political stability, socio-economic development and strengthened sovereignty, while at the same time it might begin to forge a new reality of multilevel governance. Empirical evidence suggests that this can be done over time anywhere outside of Europe with similar, yet genuine, effects of multilevel governance, shared sovereignty and multiple identities.

2. *An Overview: Region-Building Across Continents*

Notwithstanding hundreds of multilateral and regional schemes of cooperation all across the world, this study introduces twelve regional integration processes and discusses them in comparison with the European integration experience. This comparison must be done with caution and in full realization of the fact that each integration approach is different while, at least so far, none of the discussed schemes includes the main dimension that distinguishes the European Union from all of them: supranationality. Yet, structured by continents, schemes of regional cooperation and integration that aspire to emulate the European integration experience include the following regional groupings:

(1) Latin America

(a) Interestingly enough, Europe aside Central America has the longest experience with regional integration efforts. Dating back to the early 1950's, the creation of the Committee of Economic Integration in Central America (CCE) in 1951 and subsequently the Organization of Central American Countries (ODECA) – with the membership of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua – predated the creation of the European Economic Community in 1957. Inspired by the Spaak Report and the reflection on economic integration in Europe during the early 1950's, but also in view of the fact that Central America had undergone fourteen failed efforts for regional integration since its independence from Spain in 1821, CCE and ODECA laid the groundwork for a successful phase of regional economic cooperation and integration that nevertheless failed in the end. With the General Treaty on Economic Integration in Central America (Tratado General de la Integración Económica Centroamericana), signed 1960 in Managua, the five Central American countries departed from the goal of forming a Central American Common Market (Mercado Común Centroamericano MCCA), intended to grow into full-fledged customs union with a Secretariat for Central American Economic Integration (SIECA) as its institutional helm. Intra-regional trade increased from 6 million US dollars in 1963 to

1.8 billion US dollars at the end of the 1970's. Sector-specific free trade, the introduction of a common customs procedure leading to a common customs zone, and a joint procedure for dealing with external goods were completed and supported by the creation of a Central American Bank for Economic Integration (Banco Centroamericano de Integración Económica) in 1975. Around 5,000 kilometers of roads were built to improve the infrastructure necessary for a common market. Agricultural products were exempted from customs duties, with the exception of some of the strategically critical goods for each partner country, such as coffee, sugar and wheat. Telecommunications did not lag behind and by the late 1970's, Central American countries managed to build a highly efficient telecommunications system. Inflation did stay below 3 or 4 percent in all of the participating countries and the growth rates over a period of 15 years from the early 1960's until the mid 1970's hovered around 4 to 5.5 percent.

The Golden Age for Central American integration with growth and modernization came to a halt as a consequence of deep sociological changes and subsequent cleavages. They escalated from the "Football War" between El Salvador and Honduras in 1969 into bloody civil wars during the 1980's, primarily in El Salvador, Guatemala and Nicaragua. Uprisings against the political systems and their underlying social orders turned into full-fledged civil wars, coupled with an enormous and tragic refugee plight. The Marxist Sandinista regime in Nicaragua (1980-1990) fuelled political antagonism in the region and provoked US military interventions under the Reagan administration. For a time, regional integration broke down. As part of the pacification process for the region, in 1984 the European Community initiated the San Jose Dialogue with a Declaration, jointly signed by the then nine EC member states, the acceding countries Spain and Portugal and six states of Central America – by now including Panama – in the presence of representatives of the UN, the Contadora Group and the Organization of American States (OAS). This ministerial meeting is considered the foundation of modern European relations with Central America. Political support of the EC went hand in hand with the renewed socio-economic co-operation in the region. Europe claims to have successfully contributed to the reemergence of regional integration efforts in the early 1990's. US efforts in exercising rather hard-power tactics in what is traditionally considered America's sphere of influence contributed to the fall of the Sandinistas and to the reemergence of like-minded democratic political regimes in the region. Parallel efforts of the United Nations and the Contadora Group (Mexico, Columbia, Venezuela and Panama) prevented a spill-over of the conflicts into the broader region. In 1989, the Peace Treaties of Esquipulas ended the most dramatic period in the modern history of Central America.

In 1993, new efforts for regional integration began, largely driven by the desire for peace and the growing understanding of democratic rule as a precondition for security. As per capita income had decreased by almost 70 percent since the early 1970's and poverty had sharply increased (25 percent of the population in Costa Rica, and 70

percent in Guatemala lived now below the poverty line), the pressure of “neo-liberal globalization” and the prospect of the North American Free Trade Agreement NAFTA (since 1990 emerging between the US, Canada and Mexico) forced Central America into new efforts of regional cooperation and subsequently integration. The Tegucigalpa Protocol of 1991 established new institutional mechanisms for regional integration. It was followed by the Guatemala Protocol of 1993. Since then, Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama, eventually also Belize have formed the Central American Integration System (Sistema de la Integración Centroamericana, SICA).

Institutional arrangements to support Central American integration have mushroomed since then: The highest political bodies are the regular summit meetings of the Heads of State and the regular meetings of the Economic Integration Council, composed of Ministers for Economic Affairs and the Presidents of the Central Banks of the member states. SICA’s General Secretariat is based in El Salvador. Its Constitutional Court in Nicaragua has begun to work again after years of being practically closed. SICA’s Parliamentary Assembly in Guatemala and its Bank for Economic Integration with branch offices in all five member states of the Central American integration system have been charged with new tasks. A whole set of interregional specialized agencies has been established or streamlined, including an academic organization. As the Central American integration system SICA does not yet contain genuine supranational elements, it has been criticized for remaining too weak to lastingly impact the integration of the region. And decisions taken by the heads of state (450 between 1990 and 1999) were implemented in only 60 percent of the cases.²

Nevertheless, certain progress is noteworthy, all the more in light of the long and persistent history of crisis and conflict in the region. In 1995, the members of the reinvented Central American integration system agreed upon common customs tariffs as the first important step toward customs union. In 1996, Guatemala and El Salvador decided to establish full customs union, a proposition joined by Honduras and Nicaragua in 2000 and by Costa Rica in 2002. According to a decision of the Presidents of the Central American integration system, comprehensive economic integration was to be implemented by 2004; this was to include all necessary normative arrangements, full tariff harmonization, the removal of obstacles to trade, a common customs administration and an external trade policy aimed at achieving full customs union. In the meantime, 19 percent of Central American trade is intraregional. While the target date of 2004 was missed for full customs union, the trend seems to be more promising than ever before in the history of the region. In all fairness, one also has to recognize the

2 de la Ossa, Alvaro, “Der zentralamerikanische Integrationsprozess: Ende einer Entwicklungsalternative,” *IBERO-Analysen*, Vol.6. Berlin: Ibero-Amerikanisches Institut, (2000): 17; also: Minkner-Bünjer, Mechthild, “Zentralamerika zwischen regionaler Integration und Eingliederung in die Weltwirtschaft im “Schlepptau” der USA,” *Brennpunkt Lateinamerika*, No.13, Hamburg: Institut für Iberoamerika-Kunde, 2002: 129-142.

great obstacles to regional integration in Central America, most notably high poverty levels, lack of infrastructure, and strong dependency on the US with which 40 percent of all trade of the Central American countries is conducted while the US remains the most important investor in this region.

18 percent of El Salvador's GDP is based on financial transfers ("remesas") from migrants living in the US. The prospect of the US-driven Free Trade Area of the Americas (FTAA) is not without contradiction to the concept of stronger regional integration, including its prospects of developing supranational elements. The European Union claims to support regional integration in Central America through SICA with about 60 percent of all external EU funds for the region. In 2006, the European Union started negotiations with SICA for a bi-regional association agreement. The economic stake of the EU in the region – Central America represents 0.4 percent of the total external trade of the EU – cannot explain this commitment. It is for political reasons that the EU genuinely encourages Central America to take further steps along the long road toward substantial integration. Compared to where the EU might stand after more than a decade of civil wars and refugee plight, it seems fair to judge Central American integration by the path that began anew after 1991.³

(b) Integration efforts in the Andean Region date back to the foundation of the Pacto Andino in 1969. Based on the Treaty of Cartagena, the Pacto Andino marked the beginning of almost thirty years of rather unsuccessful integration as its intention ran practically counter to all national political strategies at the time. Individually, Bolivia, Ecuador, Peru, Colombia, Chile and Venezuela tried to pursue policies designed by "dependencia"-theories about center-periphery-relations in the capitalist world order. Pointing to the fact that American, European and Japanese capital controlled most industrial investments in Latin America, "dependencia"-theorists argued in favor of strict control of foreign investment and import-substitution as elements of a strategy to gain stronger national independence and thus strengthen national sovereignty. This approach was neither cohesive, nor successful, while it paralyzed the hope for regional integration. Furthermore, the geopolitical climate was as unfavorable to sustainable regional integration in Latin America as the recurrent threat of democracy by neo-authoritarian military dictatorships in the region.

The Pacto Andino failed its historic test, and yet aspirations for regional integration in the Andean region reverberated in a new and different global context. With the rise of neo-liberal economics and the return to democratic governance in most of Latin America during the late 1980's and early 1990's, the rationale for regional integration as a tool to enhanced economic well being, and ultimately a stronger political voice, spread

3 See Ulrich, Stephan, *Die zentralamerikanische Integration. Stand und Entwicklungsperspektiven*, Berlin: Deutsches Institut für Entwicklungspolitik, 2000: 30-31; Zimmek, Martin, *Integrationsprozesse in Lateinamerika: Aktuelle Herausforderungen in Mittelamerika und der Andenregion*, ZEI Discussion Paper C 153, Bonn: Center for European Integration Studies, 2005.

anew. After four years of intermission, the Presidents of the Andean countries met again for the first time in 1995 and approved a new strategy of increased regional integration as a response to the challenges and opportunities of globalization. The Cartagena Agreement of 1997 established a new Andean Integration System, transforming the original Pacto Andino into the Andean Community of Nations (Comunidad Andina de Naciones, CAN). The Andean Presidential Council, composed of the Presidents of CAN, became its highest body. In addition to the Andean Community Foreign Ministers Council, the Commission of the Andean Community was established, composed of Ministers of Trade and Industry. A General Secretariat was established in Lima, an Andean Parliament as a deliberative body in Bogotá, and a Court of Justice of the Andean Community in Quito. A whole array of institutions was established, covering social partners, banking, investment and academic life in the Andean Community.

The Andean Community of Nations included Peru, Bolivia, Ecuador, Colombia and Venezuela, before Venezuela left CAN in 2006. The populist neo-socialist authoritarian regime of Hugo Chávez in Venezuela had undermined the hope of developing CAN into a solid community of democratic Andean nations as precondition for substantial political integration. Yet, its withdrawal from CAN was also negative and confronted the Andean Community of Nations with its biggest crisis. In the late twentieth century, CAN had survived the civil war in Colombia and never broke apart in spite of weak infrastructure and very limited intra-regional trade. Eventually, CAN also survived the 2006 crisis and announced that Chile would become an associate member.

The European Union recognized the continuous relevance of CAN and started negotiations for a bi-regional association agreement in 2007. The EU's policy toward CAN is aimed at strengthening integration in the Andean region with the ultimate goal of introducing supranational structures. In earlier years, the EU had even contributed to the salaries of the Lima-based Secretariat. Such a policy might be astonishing, given the limited economic relevance of CAN for the EU and the inherent weakness of CAN. EU exports from CAN represent only 0.9 percent of total EU imports, while EU exports to CAN represent 0.7 percent of EU's total global exports. It should not be underestimated, however, that the EU is the largest investor in CAN as it is in the whole of Latin America. The main driving force of the EU's policy is not an immediate economic interest in a regional community with 115 million inhabitants. The rationale of EU policy toward CAN – as it is toward other regional groupings – is grounded in the EU's understanding that sustainable and “real” regional integration can serve as a basis for successful development, democratic governance and a new global order. Supranational orientation is still missing in CAN, although the discussion about its usefulness has grown during the initial years of the twenty-first century. Following the EU model, discussions have begun inside CAN about the possible path toward

monetary union, a directly elected community parliament and the creation of Andean citizenship.⁴

Since the new beginning of Andean integration in the 1990's, progress toward complementary economic structures has been made, although incrementally and slowly. While Venezuela, Colombia, Ecuador and Bolivia agreed on common external tariffs as cornerstone of a common free trade zone, Peru preferred to remain absent. The less developed economies of Bolivia and Ecuador received temporary exemptions from complete liberalization of their markets. CAN's goal to implement a free trade zone by 2005 and the subsequent realization of a common market was not implemented in time. Yet, the effort toward free trade and a common market has been more serious during the last two decades of CAN than during three decades of the Pacto Andino.⁵

One interesting feature of this development is the possible implication of increased trade between CAN and the Southern Common Market (Mercado Común del Sur, MERCOSUR), established in 1991 in the Southern Cone of Latin America. 8.5 percent of MERCOSUR imports come from CAN countries, while 10.8 percent of CAN imports originate in MERCOSUR. Both regional integration schemes are contemplating ways toward a bilateral free trade agreement. Sometimes, the possible fusion of both processes under the label MERCOCAN is envisaged.⁶ This idea coincides with the eternal and cyclical invocation of the idea of pan-Latin American unity: On December 8, 2004, representatives of twelve Latin American countries signed the Declaration of Cuzco, aimed at establishing the South American Community of Nations.⁷ For the time being, the only realistic prospect for unity in Latin America is based on the existing regional groupings. In spite of all their deficits and fragility, they are the only real embodiment of region-building in Latin America. The idea of MERCOCAN or the dream of a South American Community of Nations has to be seen in the context of the debate about advantages and disadvantages of the Free Trade Area for the Americas project. In 1991, the US had proposed the completion of this FTAA (in Spanish: Area de Libre omercio de las Americas, ALCA), a project whose implementation began in 1994 without yet succeeding. Often, skeptics argue that FTAA would only strengthen Latin American dependency on the US economy: The GDP of the US is close to 73

4 See Barrios, Raul (ed.), *Comunidad Andina de Naciones: Desafios Políticos y Percepciones de la Sociedad*, La Paz: Friedrich Ebert Stiftung, 1999; Lauer, Rene, *Las Políticas Sociales en la Integracion Regional: Estudio Comparativo de la Union Europea y la Comunidad Andina de Naciones*, Quito: Universidad Andino Simon Bolivar, 2001; Casas Gragea, Angel Maria, *El Modelo Regional Andino: Enfoque de Economia Politica Internacional*, Quito: Universidad Andina Simon Bolivar, 2003.

5 See Le Gras, Gilbert, *The New New World: The Re-Emerging Markets of Latin America*, London: Reuters, 2002; Arnold, Christian, *La Experiencia de la Unión Europea y Sus Anécdotas para la Comunidad Andina de Naciones (CAN)*, ZEI Discussion Paper C 145. Bonn: Center for European Integration Studies, 2005.

6 See Giacalone, Rita (ed.), *CAN-Mercosur a la Sombra del ALCA*, Merida: Editorial Venezolano, 2003.

7 *The Economist* wrote about "fraternity at 3,3000 metres" when refering to the gathering intended to create the "South AmericanCommunity of Nations": *The Economist*, December 11, (2004): 47.

percent of the combined GDP of all the other countries on the American continent, including Canada, Mexico and Brazil.⁸ When the deadline of implementing the FTAA was reached in 2005, most observers argued that FTAA was already dead.

So far, the efforts to transform economic cooperation into political integration remain semantic in CAN and feasible only over the long haul. Yet, the changing attitude in the region, the awareness of the advantages of pooled sovereignties in the European Union, and the pressure not to fall behind in the process of creating a free trade zone for both Americas have exerted new interest in a more coherent economic, and a gradual political, integration in the Andean Community.

(c) Caribbean integration began as a counterintuitive mechanism to its European counterpart. It was meant to be a strategy to tame the inevitable end of British colonial rule over many of the Caribbean island nations that today consist of 34 million inhabitants. The West Indian Federation, founded for the purpose of persevering British influence in the region, failed in 1962. Functional cooperation among some of the Commonwealth Caribbean territories continued, but it remained tainted as a leftover of the failed process of decolonization. The Caribbean development echoed the same trend as other processes of decolonization during the twentieth century: based in the value of state sovereignty, individual statehood was soon followed by difficult processes of nation-building under conditions of development economies, and of weak, often non-democratic governance. A truly post-colonial effort toward regional cooperation and eventual integration was begun in that region only in 1973 – coinciding with Great Britain's entry into the European Community that forced the Caribbean island states to reconsider their strategic interests and market patterns. The original Treaty of Chaguaramas of 1973 established the objectives of the Caribbean Community (CARICOM) and a Common Market as two separate entities of a broader process eventually heading toward the same goal: greater independence from the global economic centers both in Europe and in the US.

The Revised Treaty of Chaguaramas of 2001 came close to refounding the Caribbean Community. While the broad objectives essentially remained the same – economic integration, co-ordination of foreign policies and functional co-operation – the Caribbean Community has launched a reinforced effort to implement its goals. With the incorporation of the Caribbean Community and the CARICOM Single Market and Economy under one legal personality, the Revised Treaty of Chaguaramas resembles European efforts to overcome structures of parallel institutions and mechanisms of “pillars” distinguishing different degrees of integration and cooperation. As a

8 See Fairlie Reinoso, Alan, *Las Relaciones Comunidad Andina – Union Europea y la Zona de Libre Comercio del Sur*, Lima: Centro de Investigaciones Sociales, Economicas y Politicas, 2000; Sader, Emir (ed.), *ALCA: Integracao Soberana ou Subordinada?*, Sao Paulo: Expressao Popular, 2001; Vigevani, Tullo, and Marcelo Passini Mariano (ed.), *ALCA. O Gigante e os Anoes*, Sao Paulo: Editora Senac, 2001.

consequence, CARICOM is considered to be “in an advanced stage of transition.”⁹ The goal was set for a full-fledged Single Market by 2008 with an increased degree of institutionalization that will, however, continue to fall short of introducing elements of supranationality into CARICOM. As in the case of CAN and SICA, the EU strongly supports the evolution of the Caribbean integration experience.¹⁰ In terms of trade relations, the role of CARICOM is rather marginal for the EU: Imports from the region amount to only 0.5 percent of total EU imports, exports amount to 0.7 percent of total imports into the EU.

Membership in CARICOM includes Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Grenada, Guyana – hosting the CARICOM Secretariat in its capital Georgetown – Haiti, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago. Associate members are the British Virgin Islands, Bermuda, Turks and Caicos Islands, Anguilla, and the Cayman Islands. Discussion on membership of the Dominican Republic, Puerto Rico and – potentially with the strongest implications – of Cuba has begun, as well as membership for the remaining French, Dutch, British and US territories in the region.¹¹ The prospect of a Caribbean Community for the whole Caribbean basin might still be a far-fetched vision, but it is no longer inconceivable. In the Caribbean, the European experience of linking a “deepening” and “widening” of the integration process is being carefully studied, supported by the regular CARICOM dialogue with the European Union.¹²

The original CARICOM suffered from weak sovereignties and strong ideological rifts among its member states concerning attitudes toward the US and Europe. The fundamental dilemma of the region has not disappeared with the revision of the Treaty of Chaguaramas: it is the dilemma between “the desire, on the one hand, to enjoy the status of sovereign States, and, on the other, an unwillingness to acknowledge the inadequacy of required capabilities to translate legal sovereignty into a political and economic reality.”¹³ Increasing reference to the success of European integration is an indication of the continuous soul searching in CARICOM.

The decision to establish a CARICOM Single Market echoed not only the European experience. It also came as a response to the pressure of neo-liberal globalization and the power of the US economy in its immediate neighborhood. The North American Free Trade Agreement (NAFTA), established in 1991 between the US, Canada and Mexico,

9 Pollard, Duke (ed.), *The Caricom System: Basic Instruments*, Kingston: The Caribbean Law Publishing House Company, 2003: 4; see also Payne, Anthony, and Paul Sutton, *Charting Caribbean Developments*, Gainesville: University Press of Florida, 2001; Gonzalez Nunez, Gerardo, and Emilio Pantojas Garcia, *El Caribe en la Era de la Globalización*, Puerto Rico: Publicaciones Puertorriquenas, 2002.

10 See Dearden, Stephen J.H. (ed.), *The European Union and the Caribbean*, Aldershot: Ashgate, 2002.

11 For a Cuban perspective see: Camara de Comercio de la Republica de Cuba (ed.), *Cuba, el Caricom y sus Paises Miembros*, Havanna: Camara de Comercio, 2001.

12 See Payne, Anthony, and Paul Sutton, *Charting Caribbean Development*, op.cit.: 197-201.

13 Pollard, Duke (ed.), *The Caricom System: Basic Instruments*, op. cit.: 17.

enhanced the sensation of peripheral neglect in the Caribbean. With the end of the Cold War, the Caribbean was bereft of opting for an alternative model, notwithstanding the continuous Communist regime in Cuba and, increasingly, the regime of Hugo Chávez in Venezuela.

The Caribbean Community has begun to develop a sense of foreign policy identity. CARICOM support for membership of Suriname and Belize into the continent-wide Organization of American States prevented possible escalations of territorial disputes with Venezuela and Guatemala. More important was the positive experience of structured relations with the European Community all the way from the Lomé Agreements to the Cotonou Agreement of 2000. CARICOM considered itself as instrumental for bringing about these widely praised arrangements between Europe and so many countries in Africa, the Caribbean and the Pacific. These agreements constituted “a watershed in north-south relations.”¹⁴ In December 2007, the European Union and most CARICOM member states initiated a bi-regional Economic Partnership Agreement.

The establishment of a Caribbean Commission, an Assembly of Commonwealth Caribbean Parliamentarians, the establishment of a Caribbean Supreme Court in 2005, and the replacement of the Community Council with the Caribbean Common Market Council as the second highest decision-making body in CARICOM were important institutional additions introduced by the Revised Treaty of Chaguaramas in 2001. Contradictions remain, some of which are reminiscent of similar problems the European Union was facing as consequence of “opting-out clauses” granted to Denmark on key policy goals of the EU: The Bahamas are a member of CARICOM and yet they do not participate in the economic structures and goals of the community. As far as the decision-making mechanism is concerned, the Treaty of Chaguaramas introduced interesting reforms. While the principle of unanimity continues to be applied to decision-making in the Conference of Heads of Government, it has virtually been abolished in the other organs of the community. Consequently, this facilitates speedy reactions to the challenges of neo-liberal globalization that require export-oriented, internationally competitive production of goods and services in CARICOM.

It seems likely that the process of incremental yet steady fusion of economic integration with corresponding political processes will continue in the Caribbean. No matter how ambivalent the current character of CARICOM, the history of the Caribbean will no longer only be written with reference to sugar and slavery. Integration has become a new mantra in the region. This coincides with a new sensitivity for democratic governance in the Caribbean. Since American pressure against the revolutionary government in Grenada during the early 1980’s, it is also understood in the Caribbean that economic development and democratic governance cannot be

14 Ibid.:20.

separated from a successful integration strategy. The speedy reaction of CARICOM to civil unrest in Haiti in early 2004 was indicative of this realization.

(d) The Southern Common Market (Mercado Común del Sur, MERCOSUR) was founded in 1991 by Argentina, Brazil, Paraguay and Uruguay, signing the Treaty of Asuncion. Originally it was meant to create a common market and a customs union between the participating countries grown out of the experiences of economic cooperation between Brazil and Argentina since the mid-1980's. MERCOSUR proceeded from their sectoral agreements to wide-range liberalization of trade relations. In 1988, Brazil had import tariffs of 51 percent and Argentina of 30 percent. Trade liberalization thus became the first priority in strengthening the partners involved. The Treaty of Ouro Preto of 1994 added much to the institutional structure of MERCOSUR.¹⁵ A transition phase was set into motion with the goal to create a common market by 2006. During the 1990's alone, intra-regional trade jumped up from 4.6 billion US dollars to 20.4 billion US dollars, while foreign investment grew from 22.8 billion US dollars to 32.5 billion US dollars. Since the mid-1990's, officially most intra-regional trade has been free of tariffs; yet more than 800 exceptions remained in place, largely affecting strategic goods and services.¹⁶ In 1996, MERCOSUR established free trade arrangements with Chile and Bolivia, both becoming also associate members of MERCOSUR, followed by Peru (in 2003) and Venezuela as a full but controversial member in 2006.

MERCOSUR remains basically intergovernmental. The Common Market Council (Consejo del Mercado Común) is its highest body, consisting of the Foreign and Economic Ministers of MERCOSUR member states. The Council meets once a year in the presence of the Heads of State of MERCOSUR member states. The MERCOSUR Presidency rotates and is coordinated by the Foreign Minister in charge. The Treaty of Ouro Preto specified the competencies of the existing organs and added new ones to MERCOSUR: most notable were the Commerce Commission (Comision Comercial del Mercosur), the Common Parliamentary Commission (Comision Parlamentaria Conjunta) and the Consultative Forum for Economic and Social Affairs (Foro Consultativo Economico y Social). A largely technical Secretariat operates in Montevideo. A MERCOSUR Court of Arbitration has been established in Asuncion, so far projecting more good will than judicial power.

In the meantime, MERCOSUR also established a common mechanism for political consultations. Since 2002, like-minded new Presidents in Argentina and in Brazil (Kirchner and Lula da Silva) have rekindled the idea of robust institutional reforms in

15 See Aicardi, Oscar Abadie, *Fundamentos Historicos y Politicos del Mercosur*, Montevideo: Melibea Ediciones, 1999; Becak, Peggy, *Mercosur. Uma Experiencia de Integracao Regional*, Sao Paulo: Editora Contexto, 2000.

16 See *The Economist*, "The Future of Mercosur. A Free-Trade Tug-of-War," December 11, (2004): 46-47.

MERCOSUR: In December 2006, the MERCOSUR Parliament was inaugurated and took its seat in Montevideo. It has started its work as a consultative body, but it might be worth to remember the slow progress in the parliamentarization of the European Community in order to appreciate this effort of MERCOSUR. No matter the establishment of the MERCOSUR Parliament, the weak institutionalization of MERCOSUR remains the Achilles' heel of the project.¹⁷

Since 1999, the European Union and MERCOSUR have been negotiating a Bi-Regional Association Agreement, so far (2008) without conclusion. Optimistic assessments of an intensified bi-regional relationship refer to the potential of EU-MERCOSUR trade and investment relations. For the time being, MERCOSUR – a market with more than 260 million inhabitants – holds a share of 2.4 percent of total EU imports while the export of the EU to MERCOSUR is 1.8 percent of total EU exports. EU direct investment in MERCOSUR has increased since the mid-1990's, making the EU the largest investor in MERCOSUR as in all of Latin America, except for Central America. The EU is also the largest donor of developmental aid to the region as it is to Latin America in general. The path toward the first Interregional Association Agreement of the European Union with another regional integration process is more than a reflection of the economic importance of that relationship. The EU has always considered MERCOSUR a project of political relevance in accordance with the European desire to strengthen regional integration as an important element in a multipolar world.

Economic liberalization and deregulation, but also a renewed commitment to democracy and an improved rule of law, have contributed to the rise in the importance of MERCOSUR since the end of the 1990's. Next to the US, the EU and Japan, MERCOSUR is the fourth largest economy in the world. It has gained the reputation of being the most advanced regional integration scheme in Latin America, although this is debatable when compared with the structures of SICA, CARICOM and even CAN. MERCOSUR has begun to develop a legal code comparable to the *acquis communautaire* of the European Union.¹⁸ But the gap between obvious potential and political ambition is obvious: The original Treaty of Asuncion included the establishment of common external tariffs. In 1995 the Common Market was supposed to be completed. To this day, MERCOSUR must be considered an incomplete customs union in a free trade zone.

In spite of many obstacles, MERCOSUR is confronted with the need to deepen its structures. Even the possibility of a common currency – a “merco-peso” – and the need for stronger measures to improve co-ordination of macroeconomic policies have been

17 See Caetano, Gerardo, and Ruben M. Perina (eds.), *La Encrucijada Politica del Mercosur: Parlamentos y Nueva Institutionalidad*, Montevideo: Impresora Editorial, 2003.

18 See Haines Ferrari, Marta (ed.), *The Mercosur Codes*, London: BIICL, 2000; Max Planck Institut für Ausländisches und Internationales Privatrecht (ed.), *Rechtsquellen des Mercosur*, Baden-Baden: Nomos, 2000.

debated in the region. Whether or not MERCOSUR's Customs Union, and the currently incomplete Common Market, will advance through norm standardization and legislative measures to finally become a comprehensive Single Market remains to be seen. Much will depend upon the political will generated in the member states of MERCOSUR, notably in Brazil and Argentina.

In spite of its political shortcomings, MERCOSUR has begun to "discover" the sphere of foreign and security policy as relevant for building more solid regional integration. Joint military exercises between Argentina and Brazil, and meetings of the Chiefs of Staff of both countries, are still light-years away from the depth of Europe's Common Foreign and Security Policy, no matter how incomplete that is. After 150 years of suspicion between Argentina and Brazil, and in the overall context of the history of Latin America, they constitute, however, a promising step forward toward meaningful regional cooperation. The end of military dictatorship in both countries, the decrease in power and prestige of the armed forces and the return to civilian rule in all MERCOSUR member states has been a critical precondition for enhancing the potential of MERCOSUR integration.¹⁹ No matter how limited MERCOSUR still is in regard to supranational elements, it might well grow into a structure beyond free trade and an integrated market. This is certainly the understanding of the European Union and the rationale for its broadening relations with MERCOSUR.²⁰

The international financial and economic crisis of the late 1990's and the early twenty-first century raised awareness in MERCOSUR member states to speed up the regional integration process and to give MERCOSUR a stronger role, and ultimately also a stronger voice. The continuous backing of MERCOSUR by the European Union might have added to the understanding in the region that MERCOSUR must use its second chance in order to implement the original goals of the project while at the same time it has to focus on how to turn itself into a "real," viable process of integration – and that also means political and supranational integration.²¹

19 See Diamant, Rut (ed.), *La OTAN y los Desafios en el MERCOSUR: Comunidad de Seguridad y Estabilidad Democrática*, Buenos Aires: Nuevohacer, 2001.

20 See Algorta Pla, Juan, *O Mercosul e a Comunidade Europeia: Uma Abordagem Comparativa*, Porto Alegre: Editorial da Universidade, 1994; Vera-Fluxa, Ramiro, *Regionalbildungsansätze in Lateinamerika und ihr Vergleich mit der Europäischen Union*, ZEI Discussion Paper C 73. Bonn: Center for European Integration Studies, 2000; Zippel, Wulfdieter (ed.), *Die Beziehungen zwischen der EU und den Mercosur-Staaten: Stand und Perspektiven*, Baden-Baden: Nomos, 2002; Diedrichs, Udo, *Die Politik der Europäischen Union gegenüber dem Mercosur: Die EU als internationaler Akteur*, Opladen: Leske + Budrich, 2003; Jaguaribe, Helio, and Alvaro de Vasconcelos, (eds.), *The European Union, Mercosul and the New World Order*, London/Portland: Frank Cass, 2003.

21 See also: Montoya, Carlos Alberto, *Teoria de la Integracion. Los Procesos de Integracion Economica en America Latina*, Medellin: Eafit Fondo Editorial Universidad, 2000; Inter-American Development Bank, (ed.), *Beyond Borders: The New Regionalism in Latin America*, Washington D.C.: Inter-American Development Bank, 2002.

(2) Africa

(a) The African search for regional integration has been torn between the ambition to unite the continent as a whole and the inability to develop existing regional schemes of cooperation into viable success stories. Therefore, a confusing overlap of regional integration efforts coincides with the general underdevelopment of the continent, including the underdevelopment of its regional integration. Nevertheless, both on the regional as well as on the continental level, the idea of integration as the path toward economic success has never vanished from the political agenda, although competing paradigms were pushing toward continental or pulling toward regional solutions. From the creation of the Organization of African Unity in 1963, with the aim of promoting African self-government, to the creation of the African Union in 2000, with the aim of fostering an African Economic Community by 2028, regional efforts in Africa were always considered partial expressions in search of a broader goal, the African Renaissance.²²

The most ambitious effort to integrate Africa, so far, has been conducted on the continental level. Since the decolonization struggle in the mid-twentieth century, African leaders have had a vision of a united continent. While the Organization of African Unity (OAU) remained incapable of limiting the continent's quest for national sovereignty, it also failed to support economic development and good governance. Moreover, it failed to prevent ethnic conflicts and regional crises that have blurred the reputation of Africa during much of the past three decades.

Africa is by far the poorest continent. Of a total of 765 million inhabitants close to 350 million live below the line of absolute poverty (less than 1 US dollar per day), more than 150 million of them children. During the last decade of the twentieth century, Africa's share in global trade fell to 1.6 percent compared with 4.6 percent in 1980. It was only in light of the recognition of a deep crisis affecting the whole continent – in spite of certain pockets of progress and limited success stories – that leaders from all across Africa made efforts toward a new beginning. The Abuja Treaty, signed at the Summit of the Organization of African Unity in 1991 with the aim of establishing an African Economic Community by the year 2028, and the establishment of the African Union (AU) in 2002, after the required number of 36 ratifications of the founding Treaty signed in Lomé in 2000 have begun to generate fresh impulses aimed at a long-term improvement of the overall prospects for Africa. With all African states participating, the African Union by now is the most comprehensive scheme of continental-wide cooperation. Nevertheless, in structure and goals it is more comparable

22 Thus is the vision Thabo Mbeki has been developing even before he succeeded Nelson Mandela as President of South Africa: Mbeki, Thabo, *The African Renaissance, South Africa and the World*, www.unu.edu/unupress/Mbeki.html; on his thoughts see Ajulu, Rok, "Thabo Mbeki's African Renaissance in a Globalising World Economy: The Struggle for the Soul of the Continent," *Review of African Political Economy*, 28. 37 (2001): 27-42; Cheru, Fantu, *African Renaissance: Roadmaps to the Challenge of Globalization*, London/New York: Zed Books, 2002.

– at least for the time being – to the Council of Europe than to the European Union. In light of the intricate and mutually reinforcing relationship between the two during decades of crisis and uncertainty in Europe, this might not be a bad start for the African Union.

Its Constitutive Act, ratified by all member states of the African Union as an instrument of international law, has established an African Court of Justice, a Pan-African Parliament, the African Commission on Human and Civil Rights, a Monetary Fund and a Central Bank. The AU's Secretariat is based in Addis Ababa. The four institutions of the African Union are: The Assembly, the Executive Council, the Permanent Representatives' Committee, and the Commission of the Union. Although the terminology resembles European experiences, the principle of supranationality has not yet been applied to the structures and competencies of the African Union. It remains an intergovernmental body, “meant to be a pro-active organization to swiftly respond to the Continent’s new challenges, especially with regard to promoting and protecting human and civil rights, promotion of self reliance and economic development within the framework of the Union, and the promotion of gender equality, peaceful co-existence of Member States, and their rights to live in peace and security.”²³ The ambition of Libya’s leader Muammar Al-Qaddafi to create a pan-African defense force and a common market with a common currency has not yet materialized.

The African Union is meant to work as a catalyst to bring various regional schemes of economic cooperation and integration together under the roof of a pan-African vision. The structures of the African Union include mechanisms to deal with human rights protection and to contribute to conflict prevention and conflict resolution on the African continent. In the absence of qualified majority voting as key to efficiency and success of this work, it remains open to long-term judgment how strong the indirect effect of these reinforced commitments on the member states of the “African Union” eventually can be. Self-commitments might garner better results than obligatory efforts geared at formally limiting national sovereignty. The first test case for the new African self-commitment was the outbreak of a human catastrophe in the Western Sudanese region of Darfur in the summer of 2004: It was more than remarkable that the Assembly of the African Union decided on July 8, 2004, to increase the number of AU Observers and to send 3,000 soldiers of the AU Protection Force to Sudan. In stark contrast to the former taboo of non-interference in the domestic affairs of another African country, this AU decision demonstrated the emerging readiness of the AU to exercise continent-wide responsibility. Although this first AU peace keeping operation was too weak to stop

23 Orijako, Desmond T., “Road to the African Union (AU): Opportunities and Challenges,” in: African Union (ed.), *The African Union Directory 2002, 1st Heads of State Summit*, Mauritius: Millennium African Communications, 2002: 14; see also Genge, Manelisi, et al., *African Union and a Pan-african Parliament*, Pretoria: Africa Institute of South Africa 2000; Melber, Henning, *The New African Initiative and the African Union: A Preliminary Assessment and Documentation*, Uppsala: Nordiska Afrikainstitutet, 2001; Smith, Malinda S. (ed.), *Globalizing Africa*, Trenton/Asmara: Africa World Press, 2003.

another human catastrophe on the African continent, it was the first and promising sign of a new and focused political will executed by the African Union. By 2007, the AU Peace Keeping Force and a UN Peace Keeping Force were brought together to form a hybrid peacekeeping mechanism for Darfur.

A Peace and Security Council of fifteen member states of the AU, early warning and preventive diplomacy as well as peace-making, including the use of good offices, mediation, conciliation and enquiry, add to the ambitious plan of the AU to mediate open or pending political crises on the continent. The right to intervene in a Member State “pursuant to a decision of the Assembly in respect to grave circumstances, namely: war crimes, genocide and crimes against humanity” (Article 40h of the Constitutive Act) stipulates a new direction in African self-rule and self-criticism. It is not clear whether or not the Assembly of the AU – comprised of the Heads of State and Government – will ever apply the principle of consensus for decisions of this magnitude. The Constitutive Act states that in case the Assembly fails to reach decisions by consensus, a two-third majority will be sufficient to proceed with decisions in the framework of the competencies of the Assembly. Issues of peacekeeping and human rights aside, this includes questions relating to the budget of the African Union. The wording of the Constitutional Act reflects growing sensitivity toward issues of peace and human rights in Africa. Whether or not this can impact state behavior or that of warring forces remains to be seen. Skepticism also prevails regarding the potential of the African Union’s Commission to truly turn into a supranational executive analogous to the European Commission.

So far, the same uncertainty applies to the ability of the African Union to promote economic cooperation and development by advancing the gradual merger of existing regional cooperation and integration schemes into an African Economic Community. The African Union has identified the following regional groupings of economic cooperation as the engines for creating a pan-African Economic Community by 2028: the sixteen member states Economic Community of West African States (ECOWAS), founded in 1975; the sixteen member states Common Market for Eastern and Southern Africa (COMESA), founded in 1981 as Preferential Trade Area for Eastern and Southern Africa; the ten member states Economic Community of Central African States (ECCAS), founded in 1983; the ten member states Southern African Development Community (SADC), founded in 1992 as successor institution to the Southern African Development Coordination Conference, which had been created as an anti-Apartheid instrument in 1980, and the five member states Arab Maghreb Union (AMU), founded in 1989. As then EU Commissioner for External Trade, Pascal Lamy, put it at the outset of the twenty-first century: “Recent advances in regional integration in Africa are a clear indication that most African countries have themselves decided to anchor their integration into the world economy through regional economic integration. Regional economic integration will increase the stability of economic policy and the legal

framework, provide a multiplier effect on growth, and should be complementary to multilateral trade liberalization. In the case of many African countries, it can be a stepping stone for their integration into the world economy.”²⁴ No matter how much skepticism prevails in face of past African experiences, the African Union is a promising new and ambitious beginning of a certainly rough and daunting road ahead for the continent.

(b) The oldest among more than a dozen schemes for economic cooperation and integration in Africa is the market-oriented experience of the Economic Community of West African States (ECOWAS). During the critical 1990’s, ECOWAS was one of the few regions in Africa that could claim an increase in intra-regional trade. The original Treaty of Lagos, signed in 1975, was revised in 1993 in order to make ECOWAS compatible with the planned African Economic Community. The revised treaty meant nothing less than the actual refounding of ECOWAS. In the meantime, Cape Verde, Ivory Coast, Benin, Burkina Faso, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria, Senegal, Sierra Leone and Togo were members of ECOWAS. The total population of 250 million people is experiencing the first effort “to transcend the traditional historical and linguistic cleavages between French, English, and Portuguese-speaking African states.”²⁵ The main objective of ECOWAS, according to its Treaty, is the creation of an economic and monetary union. The plan was outlined in stages, its mid-term goal being the achievement of regional convertibility, before the ten currencies of ECOWAS’ member states (nine local currencies plus the CFA franc) could create a monetary union at the end of the process. As a practical step toward the overall goal, ECOWAS traveller checks were introduced to facilitate regional travel and commercial transactions.

Civil wars in Sierra Leone, Liberia and Guinea-Bissau slowed down the prospects for speedy economic integration in the region. At the same time, they widened the agenda of ECOWAS and introduced the first elements of security cooperation. The ECOWAS monitoring group ECOMOG became instrumental in ending the seven-year civil war in Liberia and helped manage the bitter conflict in Sierra Leone. During the 1990’s, conflict prevention, peace keeping and the establishment of a Mediation and Security Council went hand in hand with measures to facilitate the free movement of

24 Lamy, Pascal, “The Challenge of Integrating Africa into the World Economy,” in: Clapham, Christopher, et al. (eds.), *Regional Integration in Southern Africa: Comparative International Perspectives*, Johannesburg: The South African Institute of International Affairs, 2001: 15; see also Kühnhardt, Ludger *African Regional Integration and the Role of the European Union*, ZEI Discussion Paper C 184, Bonn: Center for European Integration Studies, 2008.

25 Martin, Guy, *Africa in World Politics: A Pan-African Perspective*, Trenton/Asmara: Africa World Press, 2002: 138; see also Gambari, Ibrahim A., *Political and Comparative Dimensions of Regional Integration: The Case of ECOWAS*, New Jersey/London: Humanities Press, 1991; Lavergne, Real (ed.), *Regional Integration and Cooperation in West Africa: A Multidimensional Perspective*, Trenton/Asmara: Africa World Press, 1997.

people and goods and the harmonization of economic policies among ECOWAS countries because the original approach of the economic community was broadened due to security challenges in some of its member states.

Setbacks had already become obvious during the 1980's. Inter-regional trade decreased by 50 percent during that decade; labor mobility was blocked through unilateral measures of Ghana closing its borders in 1982, and of Nigeria expelling 2 million "illegal immigrants," mostly Ghanaians, in 1983. Even with new impetuses and the pan-continental perspective, there is minimal movement of capital within the region.

The original ECOWAS Treaty established a Court of Justice, a Parliament and an Economic and Social Council. With the revised treaty of 1993, the institutions were substantially overhauled and expanded. Most promising is the work of the ECOWAS Parliament and the ECOWAS Court of Justice, both actually in operation only since 2001. The ECOWAS Secretariat is based in Abuja, Nigeria's capital. Non-compliance of member states with community decisions has been as notorious as problems with budget appropriation. In light of Africa's grave development crisis, it remains noteworthy that ECOWAS can still be considered more of a success than a failed attempt to bring about regional cooperation and integration in one part of Africa.

Of supporting relevance for regional economic integration in Western and Central Africa are the activities of the Central African Customs and Economic Union (Union douanière et économique de l'Afrique centrale, UDEAC), and of the Central African Economic and Monetary Community (Communauté économique et monétaire d'Afrique centrale, CEMAC). UDEAC was founded in 1966 by Cameroon, Central African Republic, Chad, Congo and Gabon, replacing the Equatorial African Customs Union that was established in 1959 between the four members of the former Federation of French-Equatorial Africa (Fédération de l'Afrique Equatoriale Française, the same members as UDEAC minus Cameroon). UDEAC aims to achieve a common market for 25 million people, but it has not set a time limit for doing so. After decades of failure to deliver its promulgated goals, UDEAC was reinvigorated and in fact transformed into a "genuine economic and monetary union,"²⁶ the Central African Economic and Monetary Community, which has been in existence since 1998.

Another supportive element for the advancement of the goals of the African Union is the Economic Community of Central African States (ECCAS). This ten-nation group, representing 70 million people, and consisting of Burundi, Cameroon, the Central African Republic, Chad, Congo, Equatorial Guinea, Gabon, Rwanda, Sao Tome et Principe, and the Democratic Republic of Congo, aimed to achieve a central African common market and economic community by 1995. Endemic instability and the wars in the Great Lake Region practically ended the activities of ECCAS in the early 1990's.

Finally, the Franc Zone should be mentioned, a monetary cooperation arrangement between France and its former west and central African colonies. Existing since the

26 Martin, Guy, *Africa in World Politics: A Pan-African Perspective*, op.cit.: 145.

independence of these states in the early 1960's, the zone – fourteen countries in total – is clustered around the concept of the free movement of capital within the zone, the pooling of gold and foreign exchange reserves on a common French Treasury account, common rules and regulations for foreign commercial and financial transactions, and free convertibility, at par, of the local CFA Franc, formerly pegged to the French Franc and since 2002 to the euro. The French Treasury continues to supply euros to African Central Banks, which are members of the Franc Zone. "The crucial issue is whether the euro will eventually replace the Franc Zone in Africa, or whether the Franc Zone will remain a crucial link and central element in the system of Franco-African cooperation."²⁷

(c) Southern and Eastern Africa has been struggling with concepts of regional cooperation and integration in the shadow of decolonization and the long road to overcoming Apartheid regimes in Southern Africa. After ten years of promising activity, the effort to create an East African Community failed in 1977 because of fundamental ideological differences between Socialist Tanzania and pro-Western, market-oriented Kenya.²⁸ Since the early years of the twenty-first century, the East African Community is trying to re-establish itself as a serious regional grouping. As for other efforts of region-building in Eastern and Southern Africa, the struggle against Apartheid made the front-line states of Southern and Eastern Africa join under the roof of the Southern African Development Coordination Conference (SADCC) in 1980. Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zimbabwe were united in their search to reduce economic dependency on South Africa. In 1992, after the peaceful end of Apartheid, SADCC was transformed into the Southern African Development Community (SADC). Namibia had already joined after its independence in 1990. South Africa joined after the end of Apartheid (in 1994), followed by Mauritius (in 1995), and the Seychelles and the Democratic Republic of Congo (in 1997). Ever since, SADC has been considered to be the most viable engine for economic cooperation and potential regional integration in Southern and Eastern Africa. South Africa has turned from being the unifying enemy of SAADC into the center of power and engine of SADC. SADC countries include 200 million people with a combined gross domestic product of 176 billion US dollars.

The founding Treaty of SADC makes reference to the noble goals of preserving human rights, peace and security, the rule of law, the peaceful settlement of disputes, the development of common political values, systems and institutions and the harmonization of policies, including foreign policy. One of the main organs of SADC is the Inter-State Defense and Security Committee. A regional satellite communications

27 Ibid.:151.

28 See Potholm, Christian P., and Richard A. Fredland (eds.), *Integration and Disintegration in East Africa*, Lanham: University Press of America, 1980.

network, actions (no matter how vague) against coup makers, peacekeeping training in a Regional Peacekeeping Training Institute, and standardized operating procedures for peacekeeping operations have been among the activities of SADC. In the economic field, SADC aims for a Free Trade Area by 2012, paving the way for customs union and subsequently for a common market. Intra-regional trade has increased and stands at 22 percent, the highest intra-regional trade level in all of sub-Saharan Africa. Progress on the realization of the Free Trade Area – by substantially reducing tariff and non-tariff barriers – has been accompanied by improvement of transport corridors supposed to foster development of the most depressed areas of the region. Since 1995, the region has an integrated power grid “into which the power generated is pooled and allocated to member states as required.”²⁹

SADC’s institutional structure includes the SADC Parliamentary Forum, the SADC Tribunal, the SADC Electoral Commission Forum, the SADC Lawyers Association and various other civil society forums. SADC’s Secretariat is based in Gaborone, the capital of Botswana. SADC was confronted with difficult adaptation challenges after South Africa joined. Economically this should not have come as a surprise since South Africa accounts for almost 75 percent of SADC’s GDP. The hegemonic potential of South Africa’s economy has also affected political cooperation in SADC. A South-Africa-Zimbabwe political conflict over control of SADC organs “stretched it almost to the breaking point.”³⁰ European disputes with Zimbabwe during the 1990’s over growing authoritarianism in Zimbabwe did not affect SADC’s stance toward its member state. The military intervention of SADC in 1998 in Lesotho caused further disputes among members of the integration scheme. Nevertheless, the potential of SADC remains strong compared to past or parallel efforts in sub-Saharan Africa.³¹

SADC as the engine of regional integration in Southern and Eastern Africa is supported by the activities of the Common Market for Eastern and Southern Africa (COMESA). COMESA was established by a treaty signed in Kampala, Uganda, in 1993 by the member states of the former Preferential Trade Area for Eastern and Southern Africa (PTA), namely Burundi, Comoros, Djibouti, Ethiopia, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Rwanda, Somalia, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. While Lesotho, Mozambique and Somalia left COMESA, Angola, the Democratic Republic of Congo, Egypt, Eritrea, Madagascar, Namibia, the Seychelles and Sudan joined COMESA after its creation. COMESA’s main goal remains the accomplishment of a common market. The target dates for realizing a Free Trade Area by 2000 and a common external tariff by 2004 could not be achieved. Yet, COMESA claims considerable achievement as far as facilitating trade and institution building in

29 Martin, Guy, *Africa in World Politics: A Pan-African Perspective*, op. cit.: 162.

30 Ibid.: 162.

31 See Kösler, Ariane, *The Southern African Development Community and its Relations to the European Union: Deepening Integration in Southern Africa?*, ZEI Discussion Paper C 169, Bonn: Center for European Integration Studies, 2007.

the region is concerned. Headquartered in Lusaka, Zambia, the accounts of COMESA are denominated in the organization's Unit of Account, the COMESA dollar, which is equal to one US dollar.

The main organ of COMESA is the Authority of Heads of State and Government. Its Council, the Court of Justice, the Committee of Governors of Central Banks and other institutional mechanisms resemble European experiences. Yet, the practical performance has not been too impressive. Overlapping membership in COMESA, SADC and ECCAS has been identified as one of the reasons hindering progress toward the implementation of COMESA's goals. The weak development level of most African economies is as much an impediment for early integration as political obstacles resulting from Africa's weak political structures. Weak economic and political sovereignty do not seem fertile breeding ground for rapid regional integration. They clearly do not facilitate the sharing of sovereignty as a strategy for stronger economic and political systems on the national level, and for a strengthening of the overall potential of Africa on the continental level. Yet, Africa has begun to focus on the need for regional and even continental integration more than ever since the beginning of modern independent statehood on the continent.

(3) Asia

(a) Among regional organizations worldwide, the Association of Southeast Asian Nations (ASEAN) is often considered the most favored partner of the European Union. Since its foundation in 1967, ASEAN has indeed put its mark on the world map. The mutually perceived threat of communist expansion in Indochina was the original motive for Indonesia, Malaysia, the Philippines, Singapore and Thailand to form a system of co-operation. A common response to the threat stemming from escalation of political and military events in Vietnam, Laos and Cambodia seemed to be a matter of survival. Over time – not unlike the European integration experience – ASEAN became a magnetic force for the communist countries in Indochina and generated one of the more impressive economic success stories of twentieth century Asia. With impressive growth rates, the “Little Tigers” jumped to the forefront of the world economy. ASEAN also widened its membership. In 1984, Brunei Darussalam joined. With the end of the Cold War, the prospect of an ASEAN comprising all Southeast Asian countries became realistic. Most notable was the accession of Vietnam (1995), Laos (1997) – together with Burma – and Cambodia (1999). Among these three war-torn countries, Vietnam and Laos formally maintained communist regimes in spite of anti-communist revolutions in Eastern Europe. Yet they began to open their economies to market mechanisms. Cambodian membership has indicated an end to the dramatic and horrible history of this pleasant Southeast Asian country and marked the success of ASEAN as a factor of regional stability. The membership of Burma (officially called Myanmar)

remains controversial in light of the continuous military dictatorship in the home country of Nobel Peace Prize winner Aung San Suu Kyi.³²

In economic terms, ASEAN pursues co-operation in “common interest areas” as the Bangkok Declaration – the founding document of ASEAN – has stated the main objective of the group. In four decades of its existence, ASEAN has grown into the largest free trade area in the world with its population of 539 million people, yet it remains the smallest one in terms of actual gross domestic product (659 billion euros). Although ASEAN has expanded its means of co-operation since its foundation, so far it has fallen short of realizing a Single Market: Intra-regional trade has risen to more than 22 percent during the 1990’s, demonstrating an increase in complementary production. This figure is small however compared with the EU’s internal trade of more than 50 percent. Other Asian countries – foremost Japan, South Korea and China – constitute ASEAN’s main trading partners, accounting for 50 percent of its export market and providing the region with 60 percent of its imports. ASEAN’s share of world trade has grown from 4.2 percent of imports and 4.9 percent in exports (1980) to 6.7 percent in imports and 8.3 percent in exports (2002). In the early years of the twenty-first century, the EU’s share of exports from ASEAN was 3.9 percent, while the EU’s import share from ASEAN amounted to 6.3 percent. Intra-regional investment is still limited in ASEAN although it has more than doubled during the 1990’s from 12 billion US dollars to 26 billion US dollars. By the early twenty-first century, following the East Asian currency crisis of 1997, ASEAN began to study the feasibility of establishing an ASEAN currency and exchange rate system. Economists argue that ASEAN is comparable to the European Community before the Treaty of Maastricht as far as intra-regional trade, the correlations of aggregate supply shocks, factor flows, integration and symmetry of economic structures are concerned.³³

Given the degree of tension among the original founding members of ASEAN in the time of decolonization (Singapore was excluded from Malaysia, Indonesia initiated a policy of “Konfrontasi” against Malaysia, the Philippines tried to oppose the very creation of Malaysia) and notwithstanding internal conflicts in the region ever since (dictatorships in the Philippines and in Indonesia, ethnic conflicts in Malaysia, Islamic fundamentalism and terrorism in Indonesia and in the Philippines, military rule in Myanmar, communist rule in Vietnam and Laos, post-conflict instability in Cambodia and economic crises in Thailand, Indonesia and most of the other countries of ASEAN), the success of ASEAN is undeniable. It has grown beyond the original intention of

32 See Gates, Carolyn L., and Mya Than (eds.), *ASEAN Enlargement: Impacts and Implications*, Singapore: Institute of Southeast Asian Studies, 2001.

33 See Plummer, Michael G., “The EU and ASEAN: Real Integration and Lessons in Financial Cooperation,” *The World Economy*, 25(2002): 1469-1500.

maximizing economic benefits and has begun to impact regional security and issues of conflict resolution.³⁴

During the 1980's and 1990's, ASEAN was able to exert pressure on Vietnam in order to resolve the long-standing Cambodian conflict with the rehabilitation of complete national sovereignty and subsequent accession of both Vietnam and Cambodia into ASEAN.³⁵ The Cambodia policy of ASEAN has to be seen in the larger context of ASEAN's increasing ambition to project itself as provider of stability and security in the region. In the absence of other regional schemes for security in Asia-Pacific, the ASEAN Regional Forum (ARF) attests to ASEAN's ambition and "pivotal role" in this field.³⁶ Founded in 1994, ARF is to this day the only security mechanism in Asia. Since the end of the Cold War, various ASEAN political leaders began to challenge the taboo of non-intervention in domestic affairs of member countries. After debates in ASEAN whether the community should favor "intervention" or "flexible engagement" in the face of new regional crises, ASEAN agreed upon the formula "enhanced interaction."³⁷ The conflict in East Timor (1999-2002) did not see any substantial ASEAN involvement. Difficulties in dealing with the military dictatorship in Myanmar have demonstrated the limits of ASEAN's negotiation capacities in the absence of supranational mechanisms. ASEAN's strategy remains limited to quiet diplomacy and attempts to "mediate or mitigate strained bilateral relations between members."³⁸ ASEAN does not impose sanctions for the poor conduct of any of its member states. The "ASEAN way" has been described as a set of unwritten norms of interaction and decision-making, thus differing from the rule-based structure of the European Union.³⁹

In fact, ASEAN hardly knows any form of institutionalization. It has been suggested that ASEAN member states relate intuitively to a common identity of their region.⁴⁰ As much as this is debatable in light of the enormous religious, ethnic, cultural and linguistic diversity of Southeast Asia, the limited degree of institutionalization remains obvious. The original Treaty on Friendship and Cooperation in Southeast Asia of 1976

34 See Yeung, May T., et al. (eds.), *Regional Trading Blocs in the Global Economy: The EU and ASEAN*, Cheltenham: Edward Elgar, 1999.

35 See David, Harald, *Die ASEAN zwischen Konflikt, Kooperation und Integration*, Hamburg: Institut für Asienkunde, 2003: 54-56.

36 Than, Mya, and Daljit Singh, "Regional Integration: The Case of ASEAN," in: Clapham, Christopher, et al. (eds.), *Regional Integration in Southern Africa: Comparative International Perspectives*, Pretoria: The South African Institute of International Affairs, 2001:170; Nabers, Dirk, "Das ASEAN Regional Forum (ARF)," in Maull, Hanns W., and Dirk Nabers (eds.), *Multilateralismus in Ostasien-Pazifik: Probleme und Perspektiven im neuen Jahrhundert*, Hamburg: Institut für Asienkunde, 2001: 89-117.

37 See McDougall, Derek, "Humanitarian Intervention and Peacekeeping as Issues for Asia-Pacific Security," in: Hentz, J., and Morten Boas (eds.), *New and Critical Security and Regionalism: Beyond the Nation-States*, Aldershot: Ashgate, 2003: 43.

38 Ibid.: 177.

39 See Anwar, Dewi F., "ASEAN's Enlargement: Political, Security and Institutional Perspectives," in: Gates, Carolyn L., and Mya Than (eds.), *ASEAN Enlargement: Impacts and Implications*, op.cit.: 31.

40 Acharya, Amitav, *The Quest for Identity: International Relations of South East Asia*, Oxford: Oxford University Press, 2000.

introduced elements of arbitration that remain largely on paper. An ASEAN Secretariat was established in Jakarta, demonstrating the first seeds of supranational potential. The possibility of an ASEAN Parliament has been considered, and some analysts compare the ongoing coordination activity among ASEAN countries to the unwritten constitution of Great Britain.⁴¹

In the early twenty-first century, more than sixty structures of regional cooperation have been identified in Asia. Formal or informal co-operation is dominant. Continent-wide schemes do not exist. Processes with a continental dimension such as ASEM (Asia-Europe Meeting) and APEC (Asia-Pacific Economic Cooperation) are components of trans-continental free trade cooperation rather than ambitions toward supranational integration.⁴² They are responses to globalization and expressions of multilateralism, but they fall short of generating authentic regional integration schemes. While APEC was founded by twelve countries in 1989 at the initiative of Australia, and has grown into a membership of twenty-four countries around Asia-Pacific, ASEM (the Asia-Europe Meeting) is an informal process of dialogue and cooperation between the EU member states and ten Asian countries (Brunei, China, Indonesia, Japan, South Korea, Malaysia, the Philippines, Singapore, Thailand and Vietnam). The fact that not all ASEAN members participate is as indicative for missing political cohesion as it is for the purely economic approach of ASEM. While APEC was founded with the intention to develop into an OECD-like system for Asia-Pacific (including the Pacific countries of Latin America), ASEM – representing 1.9 million people – was largely conceived as a support mechanism for developing global free trade regimes in the context of the WTO.⁴³ Potentially, ASEAN could be joined by Japan, China, and South Korea – or even a united Korea. Such a prospect for “ASEAN Plus Three” is supported by the increasing participation of the three Northeast Asian economic giants in ASEAN activities. Membership of the three economic giants of Northeast Asia in ASEAN would clearly redefine the rationale of ASEAN: It would “widen” it in a way that would render “deepening” imperative in order to avoid complete dominance by China. In November 2007, ASEAN surprised many of its critics with the signing of the ASEAN Charter, enhancing the prospect for treaty-based deeper political integration, including concern for human rights in the ASEAN region.

41 See Wichmann, Peter, *Die politischen Perspektiven der ASEAN: Subregionale Integration oder supranationale Kooperation*, Hamburg: Institut für Asienkunde, 1996.

42 See Ortiz Mena, Antonio, *Regional Integration in the Americas and the Pacific Rim*, La Jolla: California Center for Iberian and Latin American Studies, 1997; Bridges, Brian, *Europe and the Challenge of the Asia-Pacific*, Cheltenham: Edward Elgar, 1999; Chirathivat, Suthipand, et al. (eds.), *Asia-Europe on the Eve of the twenty-first century*, Bangkok: Saksopha Press, 2001; Van Hoa, Tran, and Charles Harvie (eds.), *New Asian Regionalism: Responses to Globalisation and Crises*, Basingstoke: Macmillan, 2003.

43 See Nathan, K.S., *The European Union, United States and ASEAN: Challenges and Prospects for Cooperative Engagement in the twenty-first century*, London: ASEAN Academic Press, 2002.

(b) The Gulf Cooperation Council (GCC) was founded in 1981 as a defensive measure of the conservative Gulf monarchies against the threat of a spill-over of the Islamic revolution in Iran. Cooperation between Bahrain (with a history of tensions between its Sunni and Shiite populations), Kuwait (which also has a Shiite minority), Oman, Qatar, Saudi Arabia and the United Arab Emirates has developed considerably. It is poised to transform into regional integration for a population of 28 million with the implementation of a common currency for the Gulf countries targeted for 2010.

The Gulf Cooperation Council can rely on many commonalities other regional integration schemes fall short of. Its citizens speak the same language, practice the same religion – although with notable variants – they follow comparable social patterns and live with roughly the same structure and standard of economic development. Finally they have similar systems of governments. This might however develop into the biggest obstacle for comprehensive integration as a new wave of transformation and democratization is sweeping through the region. At the same time, the most conservative Arab state, Saudi Arabia, is increasingly exposed to threats from terrorists blaming its regime for being hypocritical and too close to the United States. The dominating role of Saudi Arabia in the Gulf Cooperation Council has always been a matter of concern as the smaller Gulf States seem to be more interested in thorough integration than their big Western neighbor.

At the time of independence of the smaller Gulf States – Kuwait gained independence from Great Britain in 1961 – it seemed possible that all of them might replace British suzerainty with a joint system of statehood. After prolonged negotiations, in 1975 only the seven Trucial Sheikhdoms of Abu Dhabi, Dubai, Sharjah, Ajman, Ras al Khaimah, Fujairah and Umm al Quwain agreed to form the United Arab Emirates, while Bahrain and Qatar opted for independent statehood. The Sultanate of Oman gradually opened up during the 1970's. In 1976 Oman hosted a meeting of the Foreign Ministers of Iran, Iraq, Kuwait, Bahrain, Qatar, the United Arab Emirates, Saudi Arabia and Oman to discuss a coordinated regional security and defense policy. The effort ended without any consent or conclusion among the participants. It took the threat of a spill-over of the Islamic Revolution in Iran of early 1979 to speed up the thrust for cooperation and integration in the Gulf – as a protective measure against one of the potential participants in any logical cooperation around the Arab/Persian Gulf.

After the Soviet Union invaded Afghanistan in December 1979, the geopolitical situation looked increasingly dangerous for stability and legitimacy in the Gulf region. Worsening relations between Iran and Iraq, leading to their protracted war between 1980 and 1988, forced the remaining Gulf States to act. At the initiative of Kuwait, they signed the founding Charter of the Gulf Cooperation Council in May 1981. The Charter refers to the “ultimate aim of unity” (Article 4) and an eventual confederal union emanating from the GCC framework.

The Gulf Cooperation Council consists of the Supreme Council as its highest authority, representing the six Heads of State of the member states. When necessary, the Supreme Council can constitute itself as Dispute Settlement Board. In the Council, where each country has a single vote, unanimity is required to achieve decisions and approve common policies. The Chairmanship in the Supreme Council rotates every year. Below the Supreme Council, the GCC consists of the Ministerial Council, the forum for the Foreign Ministers of the six member states. This is the working policy group of the GCC, supported by other GCC ministerial and expert committees. The Secretariat in Riyadh administrates the GCC and initiates studies reviewing the potential for integration projects. Within the general framework of the Arab world, the GCC has always been perceived as “a force of moderation, conciliation and mediation.”⁴⁴ The GCC has been involved in mediating several conflicts between the Sultanate of Oman and the then People’s Republic of Yemen. After the unification of the two Yemenite states in 1990, forming the Arab Republic of Yemen, efforts of gradual approximation of Yemen to the GCC have been pursued on the level of expert and technical cooperation, leading to a cooperation agreement with Yemen in 1998. The issue of Yemenite membership in the Gulf Cooperation Council remains unresolved, not the least because of the regime difference between conservative Arab monarchies and the socialist Arab Republic. It has become linked to the various, albeit gradual and often incremental efforts of democratizing the conservative Gulf States. As one of the consequences of “9/11,” their traditional regimes have come under pressure more than ever, and not the least from the US, their most loyal ally. Across the region, the issue of democratization has spread, not only with encouraging results. Democratization has become an additional dimension impacting region-building in the Gulf.

In earlier decades, the initial strategic and defense rationale behind the creation of the Gulf Cooperation Council led to a spill-over of the integration scheme into the economic sphere. This was more than logical given the rapid modernization of the Gulf region since the 1970’s based on its oil exports and the absence of a diversified economy. GCC cooperation soon encouraged the need of oil-producing countries of the Gulf to jointly embark on a strategy of economic diversification in order to strengthen their independence from oil and gas revenues. The member states of the Gulf Cooperation Council hold 45 percent of the world’s oil reserves and supply 20 percent of the global production of crude oil. Based on estimates as to the duration of oil and gas reserves, only Kuwait and Qatar might be able to completely rely on oil and gas income for their foreseeable future. Diversification of the economy is a crucial

44 Christie, John, “History and Development of the Gulf Cooperation Council: A Brief Overview,” in: Sandwick, John A. (ed.), *The Gulf Cooperation Council: Moderation and Stability in an Interdependent World*, Boulder: Westview Press, 1987: 14.

challenge for all Gulf Cooperation countries in order to make their cooperation sustainable.⁴⁵

In which way the strategic and economic rationale for region-building may be linked to the issue of political and regime transformations remains to be seen. The prime focus has clearly shifted from the original strategic concern about the possible spread of the Islamic revolution in the 1980's to economic considerations and the fear to become too abruptly exposed to the uncontrollable effects of democratization. A new geostrategic dimension arose in the Gulf region in the wake of the terrorist attacks on the United States on September 11, 2001, and the subsequent debate about the stability of Saudi Arabia and the need for the democratic transformation of the Broader Middle East. While some of the smaller Gulf countries embarked on a cautious but steady path toward constitutional monarchy with elements of popular democracy – with local elections as in Qatar, parliamentary elections as in Kuwait, and new constitutional elements as in Bahrain – the difference between the smaller Gulf states and the overwhelming size and impact of Saudi Arabia for the region became even more visible. The constellation remains ambivalent at best.

All GCC countries remain committed to implementing a common currency by 2010 despite the clouds hanging over the region since the outbreak of Islamic terrorism. The geopolitical tensions in the Broader Middle East coincide with severe generational changes across the region.⁴⁶ A possible membership of a democratic Iraq could alter the power relations and political priorities of the Gulf Cooperation Council tremendously. In the meantime, the EU has discovered the Gulf Cooperation Council as a preferential partner in the region of such importance for the EU's energy supply and long-term political stability:⁴⁷ Eventually, the EU aims at a bi-regional free trade agreement with the GCC.

(c) One of the least functioning regional integration schemes covers South Asia with India as its centerpiece. From its foundation in 1985, the South Asian Association for Regional Cooperation (SAARC) has suffered from the towering power of the largest democracy in the world and from the unwillingness of all its member states to take up controversial issues. The India-Pakistan controversy has been one of the most dangerous regional conflicts in the world for decades. It has therefore come as a surprise

45 See Braun, Ursula, *Der Kooperationsrat am Golf: Eine neue Kraft? Regionale Integration als Stabilitätsfaktor*, Baden-Baden: Nomos, 1986; Nakhleh, Emile A., *The Gulf Cooperation Council: Policies, Problems and Prospects*, Westport/London: Praeger, 1986; Peterson, Erik R., *The Gulf Cooperation Council: Search for Unity in a Dynamic Region*, Boulder: Westview, 1988; Ramazani, R. K., *The Gulf Cooperation Council: Record and Analysis*, Charlottesville: University Press of Virginia, 1988; Al-Alkim, Hassan, *The GCC States in an Unstable World: Foreign Policy Dilemmas of Small States*, London: Saqi Books, 1994.

46 See Fasano, Ugo (ed.), *Monetary Union Among Member Countries of the Gulf Cooperation Council*, Washington D.C.: International Monetary Fund, 2003.

47 See Luciano, Giacomo, and Felix Neugart (eds.), *The EU and the GCC: A New Partnership*, Munich: Bertelsmann Stiftung, 2005.

to many that SAARC never broke down altogether over the contentious issues related to this conflict. Instead, it has continued on a quiet path to consolidated institutionalization with the help of its Secretariat based in Kathmandu. Being itself at the center of violent political controversies since the late 1990's, Nepal has not been able to put visible weight behind the role that the SAARC Secretariat could possibly play. SAARC continues to exist with the membership of India, Pakistan, Nepal, Bangladesh, Sri Lanka, Bhutan and the Maldives. It is the most impossible combination of countries and political regimes, socio-economic realities and ethnic composition, religious and linguistic diversity the world could possibly offer. And yet, the unifying geographical factor has calmed down all possible reservations against the very idea of a South Asian form of regional co-operation and, potentially, integration.

South Asia has a total population of 1.3 billion people. More than 500 million of them live in extreme poverty, representing 44 percent of the poorest of the poor in the world who have to live on less than one dollar per day. South Asia accounts for not more than 2 percent of global GDP and 2.2. percent of the external trade of the European Union is conducted with the region. India is the most important economic factor of the region, receiving 0.4 percent of foreign direct investment stemming from the EU. SAARC was founded – as its Charter says – with the aim of “promoting the well-being of the populations of South Asia and improving their standard of living; this includes speeding up economic growth, social progress and cultural development, reinforcing links between the countries of this area, and lastly, promoting mutual collaboration and assistance in the economic, social, cultural, technical and scientific fields.” The ambitions of SAARC stand in sharp contrast to the real power of the integration scheme. From the beginning, decision-making in SAARC was reduced to unanimity. The consultative nature of the process of co-operation was based on the agreement not to deal with controversial issues among the states involved. Given the conflicts in the region – most notably between Pakistan and India, but also those troubling Sri Lanka and Nepal – this founding principle left SAARC practically impotent from its very beginning.⁴⁸ With the improvement of political relations between India and Pakistan in the early years of the twenty-first century, new impulses for strengthened integration were proposed by leaders of both countries. One effect of this thaw has been the agreement of Pakistan and India concerning full SAARC membership of Afghanistan in 2006. The other remarkable effect has been the final agreement on a South Asian Free Trade Agreement in 2006, to be implemented within ten years.

In light of the conflicting interests on the South Asian subcontinent, it might be surprising that SAARC came into being at all. Its founding intention, driven by India's diplomacy, was aimed at supporting the policy of non-use of force between India and Pakistan. This was more a negative than a positive definition of region-building. In

48 See Kalam, Abul, *Subregionalism in Asia: ASEAN and SAARC Experiences*, New Delhi: UBS Publishers, 2001.

1988, during the early days of SAARC, India and Pakistan concluded three agreements prohibiting attacks against nuclear installations and facilities and promoting cultural co-operation and the avoidance of double taxation, thus demonstrating the almost bizarre combination of issues driving the agenda of the subcontinent, as SAARC's first Secretary General even admitted.⁴⁹ So far, there is enormous resistance in SAARC to revise the original Charter and the working mechanisms of its bodies that include a Standing Committee of Foreign Secretaries, Technical Committees and Committees of Economic Co-operation. Optimistic observers argue that SAARC has induced a certain dynamic of intensified civil society co-operation in the region that could eventually spurn a political reassessment of the parameters of regional integration.⁵⁰

Until today, the disputes between India and Pakistan have prevented SAARC from developing its full potential. Likewise, efforts to create an Indian Ocean Rim Economic Growth Area have been curtailed by these disputes. Instability of some of the regimes in SAARC, most notably in Bangladesh, the struggle with authoritarianism (Maldives), a finally successful anti-monarchic Maoist rebellion (Nepal), uncertain steps to begin the process of constitutionalizing a monarchy (Bhutan), the threat of returning to ethnically induced civil war (Sri Lanka), and first and foremost, the shadow of a failing state (Pakistan) have contributed to a rather negative image of SAARC. These divergent and contradicting regime realities across the region have rendered most constructive initiatives futile, leaving South Asia as “one of the last regions to wake up to the challenge of the new regionalism.”⁵¹ Conflict resolution in South Asia, such as the India-Bangladesh scheme to regulate the supply of Ganges waters, or the search for solutions to the civil war in Sri Lanka, took place outside the SAARC mechanism. In order to make meaningful sense, regional cooperation and integration in South Asia requires more regime cohesion among its member countries and a visible increase in complementary economic structures. Unless these fundamental preconditions are achieved, every effort to promote cooperation and trust on the Indian subcontinent will remain hostage of fragile political circumstances. It must however be added that the very existence of the South Asian Association of Regional Cooperation is a recognition of the potential that might be developed further during the course of the twenty-first century. In fact, it might turn out to be the only path to overcome the socio-economic pressure in the region that is mounting, notwithstanding the emergence of a middle class. Eventually, it might be this South Asian middle class that will promote reforms aimed at political and economic complementarity in South Asia as precondition for

49 Bhargava, Kant K., *EU-SAARC: Comparisons and Prospects for Cooperation*, ZEI Discussion Paper C15. Bonn: Center for European Integration Studies, 1998: 7.

50 See Quadir, Fahimul, “Civil Society and Informal Regionalism in South Asia: The Prospects for Peace and Human Security in the Twenty-First Century,” in: Hentz, James J., and Morten Boas (eds.), *New and Critical Security and Regionalism: Beyond the Nation-State*, Aldershot: Ashgate , 2003: 113-126.

51 Hettne, Bjoern, “Security Regionalism in Europe and South Asia,” in: Hentz, James J., and Morten Boas (eds.), *New and Critical Security and Regionalism: Beyond the Nation-State*, op.cit.: 159.

viable and sustainable regional integration. Still, the path is long and the hope blurred by uncertainties, such as lingering Islamic radicalism in Pakistan that overshadows her transformation from military dictatorship to democracy. For the time being, this poses a new threat to stable regional integration based on democracy and integrated market economies.

(4) Eurasia

The Commonwealth of Independent States (CIS) is the product of post-Soviet geopolitical developments in Eurasia. It has been an instrument in managing the demise of the Soviet Empire without turning into a prospect of sustainable positive region-building. Its original purpose – taming the demise of Soviet power and organizing Russia's new regional base as a global power – was reasonably successful. Going beyond and developing into a new Eurasian regional grouping of solid standing and wide-ranging perspective has remained a vague hope for some and an empty promise for most observers. When the CIS was created on December 8, 1991, its founding members Russia, Ukraine and Belarus stated that the Soviet Union had disappeared as subject of international law and geopolitical reality. On December 21, 1991, CIS was enlarged by admitting Turkmenistan, Uzbekistan, Tajikistan, Kazakhstan, Kyrgyzstan, Moldova, Armenia and Azerbaijan. The CIS committed itself to comply with responsibilities stemming from international treaties signed by the Soviet Union. This included a binding commitment to the common control of nuclear weapons. The CIS stated its support for human rights, the protection of national minorities and respect for the territorial integrity of its member states. On May 15, 1992, a CIS Collective Security Treaty was signed by Armenia, Kazakhstan, Kyrgyzstan, Russia, Tajikistan and Uzbekistan, later also by Azerbaijan, Belarus and Georgia, which joined the CIS in 1993. The Collective Security Treaty reaffirmed the desire of its participating states to abstain from the use or threat of force among themselves. They also promised not to join any other military alliance. In 1999, Azerbaijan, Uzbekistan and Georgia withdrew from the Collective Security Treaty, with Georgia stating that it had been incorporated against its will into the Soviet Union. In 2005 Turkmenistan discontinued its CIS membership and became an associate member. In 2006, Georgia left the CIS military structure, hoping to eventually being accepted as a member of NATO and the European Union.

The Commonwealth of Independent States does not carry any supranational competences. In that regard, it is fundamentally different from the European Union. On the other hand, it is rooted in the long common history of former Soviet republics with their specific form of state-controlled industrialization and an integrated market. This market had broken down as a consequence of the demise of the Soviet Union and its

economic imperatives. Yet, traditional mentality and power structures reflecting the highly ambivalent post-Soviet transformation process prevail.

The founding Charter of the Commonwealth of Independent States of January 22, 1993, declared sovereign equality among its member states and recognized each of them as a sovereign member of the international state system. With the signing of the Treaty on Economic Union in September 1993, the CIS embarked on the path to stronger integration, as if by then the European Union was perceived as a distant model.⁵²

The Treaty on the establishment of an Economic Union is based on the goal of transforming the interaction of economic relations among CIS member states into a common economic space. It states the principle of free movement of goods, capital, services and workers, thus recalling the original goals of the EC's Single Market. It outlines concerted money and credit policies as well as, tax, customs and foreign economic policies. It defines mechanisms that favour direct production links among CIS countries and a rapprochement of the methods of management of economic affairs. CIS has addressed issues as diverse as transport corridors in its vast territory and common health protection-methods. The proliferation of drugs originating in Afghanistan, for example, has been a concern for the CIS. By remembering the fifteenth anniversary of the Chernobyl atomic power plant catastrophe in 2001 and by coordinating activities commemorating the "Great Patriotic War of 1941-1945" (elsewhere known as World War II), CIS member states invoked a common culture of memory. Unresolved post-Soviet conflicts in Chechnya, Nagorno-Karabach and Abkhazia were as much on the agenda of CIS meetings, for example during a meeting in October 2002, as issues of inter-state TV and radio broadcasting, "in the interest of enhancing mutual understanding and cooperation between CIS member states."⁵³ In 2003, for the first time a single budget of the CIS was adopted. The full implementation of a free-trade zone – transforming into a single economic space by 2010 – had priority during CIS meetings in the early years of the twenty-first century. Even official documents were forced to recognize that some member states were falling behind the early implementation of measures agreed upon by all CIS member states.

The need for more efficient foreign policy measures was another perennial issue for CIS. The conduct of joint anti-terrorist actions in all CIS countries echoed not only the change in the global arena since the terrorist attacks of September 11, 2001, in the US, but also the ongoing bitter conflicts in the Northern Caucasus region. So far the existence of a CIS Commission on Human Rights has not helped change the direction these conflicts have taken. CIS peacekeeping was developed early on and the first

⁵² See Leonhardt, Wolfgang, *Spiel mit dem Feuer: Russlands schmerzhafter Weg zur Demokratie*, Bergisch-Gladbach: Lübbe, 1996: 146-151; Strezhneva, Marina, *Social Culture and Regional Governance: Comparison of the European Union and Post-Soviet Experiences*, Commack: Nova Scotia Publishers, 1999.

⁵³ See Meeting of the Leaders of CIS Member States, October 6./7.2002, www.cis.minsk.by/english/meet_cis.htm.

experiences with CIS peacekeeping missions were made in Tajikistan and in Abkhazia.⁵⁴

CIS structures remain intergovernmental. The Council of Heads of State, the Council of Heads of Government, including various ministerial councils, an Inter-Parliamentary Assembly, a joint Council of Commanders of Border Troops and the Secretariat of the CIS are the most important bodies. The Secretariat of the “Commonwealth of Independent States” is based in Minsk, the capital of Belarus. Although its functions were widened over time, like all CIS organs it lacks cohesive orders of competencies. Most important however is the uncertainty about the very concept on which CIS is based. While some countries still consider CIS a mild “divorce” from Russia and a means to protect their fragile sovereignty, Russia considers the CIS as an instrument to project its ambitions of power throughout the post-Soviet sphere. The three Baltic republics, Estonia, Latvia and Lithuania, joined both the European Union and NATO in 2004, the first former Soviet republics with a definitely new geopolitical orientation. The future of the other twelve former Soviet republics remains as unsettled as CIS itself: Between 2003 and 2005, the post-Communist and pro-Russian leadership of three CIS member states – Shevardnadze in Georgia, Kuchma in the Ukraine, and Akayev in Kyrgyzstan – was overthrown in a series of peaceful revolutions. The Ukraine, along with Georgia and in a limited way with Moldova, has taken the strongest pro-Western stance among CIS member states. The EU has left the geopolitical reorganization of the Eastern European zone west of Russia in limbo by not committing itself to any possible membership for the countries of this region.

The CIS has undoubtedly contributed to the post-Soviet stabilization of the region. Its contributions to peacekeeping were noteworthy although it has not contributed to resolving ethnic rivalries and conflicts in the Northern Caucasus. The CIS has supported the development of a certain common economic space in Eurasia, but it has not supported the development of the rule of law and democratic governance in a post-Soviet environment in which “democratization is a promise rather than a reality”.⁵⁵ All in all, the CIS member states have not achieved the ultimate goal of their original endeavor. This fact is however only one element in the ongoing search for a new identity in post-Soviet Eurasia.⁵⁶

All in all, for the first one and half decades of its existence, CIS has remained weak and rather without authority as it has not been able to transform itself into the nucleus of a substantially supranational mechanism. While inter-state borders among CIS member states did not remain impermeable, new visa regimes were established between CIS

54 See Jonson, Lena, and Clive Archer (eds.), *Peacekeeping and the Role of Russia in Eurasia*, Boulder: Westview, 1996; Nazarkin, Yuri K., *Peace-Keeping Operation in the CIS*, http://www.ieis.lu/books/future_role_of_russia/nazarkin.PDF.

55 Strezhneva, Marina, *Social Culture and Regional Governance: Comparison of the European Union and Post-Soviet Experiences*, op.cit.: 25.

56 For instance Trenin, Dmitri, *The End of Eurasia: Russia on the Border between Geopolitics and Globalization*, Moscow: Carnegie Endowment for International Peace, 2001.

member states, making freedom of movement more difficult than during the time of the Soviet Union. The quest for strengthened national sovereignty has clashed more than once with the potential of regional cooperation and integration in Eurasia. For the time being, the Commonwealth of Independent States might retain a post-imperial function in the multiple processes of state-building in Eurasia. In the end, CIS might be more comparable to failed post-colonial efforts of federalism exercised by former colonial powers in the Caribbean or in Africa than to the European Union's experience with voluntary and positive integration.

(5) Oceania

The evolution of regional integration has become a global reality. Even most island countries in Oceania have begun to consider the benefits of regional cooperation, and potentially of integration. The Pacific Islands Forum (PIF) is the youngest expression of the global search for region-building. Its development has been driven not least by prospects of a Pacific regional Economic Partnership Agreement with the EU by 2008.⁵⁷

Sixteen Pacific countries and territories are members of the Pacific Islands Forum (PIF): Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. They claim to represent "the Pacific Way," a term coined in the 1970's by the first Prime Minister of independent Fiji, Ratu Sir Kamisese Mara. He claimed that "the Pacific Way" would be different from Western ways of conflict resolution: Nobody would be left out, decision-making would always be consensual and the norm of non-interference would be strongly recognized.

Between 1971 and 1999, the precursor to the Pacific Islands Forum was in effect: the South Pacific Forum. Founded in Wellington on August 5-7, 1971, it remained a structure largely dominated by New Zealand, as much as the South Pacific Commission was defined by the strong role of Australia. The South Pacific Forum was by and large a confidence-building measure. It was never institutionalized and had neither legal personality nor a formal voting structure. Decision-making among its members was done by consensus.

The 30th Forum Summit, held in Koror on Palau from October 3-5, 1999, became an act of refounding the basis for regional cooperation and eventual integration in the Pacific. The South Pacific Forum was renamed Pacific Islands Forum. The agreement to establish the Pacific Islands Secretariat was signed on October 30, 2000, in Tarawa, being replaced by a new constitutive treaty at the 36th Forum Summit on October 27, 2005, in Papua New Guinea. This Agreement Establishing the Pacific Islands Forum confirmed the future objectives: "The purpose of the Forum is to strengthen regional

⁵⁷ See Holland, Martin, *The European Union and the Third World*, Hounds Mills: Palgrave, 2002; *Neue Zürcher Zeitung*, "Eine 'pazifische Union' am Horizont?", August 9, (2004).

cooperation and integration, including through the pooling of regional resources of governance and the alignment of policies, in order to further Forum members' shared goals of economic growth, sustainable development, good governance and security." (Article II). The ultimate vision is a region "where people can all lead free and worthwhile lives." The Pacific Islands Forum considers itself "an international organization in its own right." It distinguishes between membership, associate membership and observer status.

Beside the Pacific Forum Secretariat and the annual leaders Summit, a Forum Official's Committee was introduced as an Executive Committee. By and large, the Pacific Islands Forum remains a deliberative body, which excludes controversial issues and is short of legally binding mechanisms that would help to implement decisions. This is problematic for development goals as well as for security matters. More rooted in the Pacific island world than ever, an Australian was even able to become its Secretary General. Australia and New Zealand continue to each provide one-third of the budgets of the Pacific Islands Forum. In the meantime, the constructive involvement of New Zealand and Australia in the Pacific Islands Forum is without any doubt. They have become recognized as Pacific countries while their own attitude toward the Pacific islands region has also changed. The fact that the number of Pacific migrants to New Zealand has increased from 3,600 in 1951 to more than a quarter million today has contributed to this change in outlook in New Zealand. As for Australia, the dilemma of often being perceived as big brother, yet trying to play the constructive role of a simple partner country, prevails.

The Pacific Islands Forum has begun to transform the structures of the former South Pacific Forum into more viable institutions of regional cooperation.⁵⁸ In 2001, the Pacific Islands Forum introduced new mechanisms to advance economic cooperation. This was done under Australian pressure and largely in response to the European Union's Agreement with the EU partner countries in the Caribbean, in Asia and in the Pacific (Cotonou Agreement). Australia wanted its island neighbors to advance economic cooperation and not lose its own position in the Pacific. Except for Vanuatu, all Pacific Islands Forum members signed the Pacific Agreement on Closer Economic Relations (PACER), followed by the Pacific Island Countries Trade Agreement (PICTA).⁵⁹ PACER is an umbrella agreement, allowing PIF member states to start Forum-wide negotiations no later than eight years after PICTA was to enter into force, but no later than 2011. In other words: In 2011, the PIF countries have to begin negotiations on free trade, which is very much in the interest of Australia. In theory, the PACER agreement allows the PIF member states to negotiate a free trade agreement at

58 Shibuya, Eric, "The Problems and Potential of the Pacific Islands Forum," in: Rolfe, Jim (ed.), *The Asia-Pacific: A Region in Transition*, Honolulu: Asia-Pacific Center for Security Studies, 2004: 102-115.

59 Kelsey, Jane, *A People's Guide to PACER: The Implications for the Pacific Islands of the Pacific Agreement on Closer Economic relations (PACER)*, Suva: Pacific Network on Globalisation, 2004.

their own pace and without external pressure. In reality this sovereignty-friendly promise of PACER was already undermined in 2002 when the PIF member states began to negotiate free trade conditions with the European Union under the Cotonou Agreement signed in 2000. PACER provides for cooperation among the PIF member states on trade facilitation schemes and financial and technical assistance, including trade promotion, capacity building and structural adjustment.

The Pacific Island Countries Trade Agreement (PICTA) took effect in 2003. It focuses on free trade of goods and pursues the goal of trade liberalization over a period of eight years until 2010 for the developing countries of the region and over a period of 10 years for the “smaller island countries” and the poorest countries of the region. The most sensitive industries can be protected in each country until 2016. PICTA does not exclude a later extension of liberalization to the fields of services and investment. The European Union understood PICTA to be a stepping-stone for the negotiation of a Regional Economic Partnership Agreement by 2008. While Australia and New Zealand are left out of the negotiations that have been under way since 2002, they are particularly keen on seeing PICTA and PACER work. They seek to legitimize both regional trade liberalization agreements as genuine expressions of local efforts by the small Pacific island states “to ride the waves of economic globalization without being swept away.”⁶⁰

The trade liberalization efforts in the Pacific are a matter of continuous discussion surrounding the relationship between globalization, national autonomy and the social consequences of free trade – not unlike in other regions of the world. The dependency of the small and poor Pacific countries on customs duties is a particular problem in this regard. Customs duties represent a high degree of total tax revenues in the Pacific: 64 percent for Kiribati, 57 percent for Vanuatu, 46 percent for Tuvalu.

Along with the new constituent treaty of the Pacific Islands Forum (Agreement Establishing the Pacific Islands Forum), the 36th PIF Summit on October 25-27, 2005, in Madang (Papua New Guinea) endorsed the Pacific Plan. This is a wide ranging long-term concept for the potential future development of the Pacific Islands Forum. It is aimed to

- enhance and stimulate economic growth;
- promote sustainable development;
- enhance good governance; and
- increase security through regionalism for all Pacific countries.

The Pacific Plan is the most comprehensive outline of region-building ambitions by the Pacific Islands Forum. In principle, the Pacific Plan is non-political, technical and defers to national sovereignty. “Regionalism under the Pacific Plan,” it states, “does not imply any limitation on national sovereignty. It is not intended to replace any national

60 Shibuya, Eric, “The Problems and Potential of the Pacific Islands Forum,” in: Rolfe, Jim (ed.), *The Asia-Pacific: A Region in Transition*, op.cit.: 113.

programmes, only to support and complement them.”⁶¹ The defensive character of this statement is telling. On the one hand, the Pacific island countries are aware of the actual limitation of their sovereignty. On the other hand, their national pride is as strong as their desire to improve real living conditions. The declaratory commitment to national sovereignty and autonomy is therefore coupled with concrete and realistic proposals for pragmatic and functional cooperation. In the end, however, this cooperation will transform the very notion and explicit character of national sovereignty and nationhood. The Pacific region will not be able to escape the universal experience of other schemes of regional cooperation and integration.

3. Europe and the Rest: Comparing Notes

So far, none of the non-European integration schemes has achieved a breakthrough toward supranationality comparable to the European experience. In order to do justice to the limited success of regional integration outside Europe, it is imperative to recall the time-line of the global proliferation of region- building. Hardly any of the efforts outside Europe have a history to allow making final judgments, particularly with regard to the degree of long-term success or failure:

- The Central American Common Market (Mercado Commun Centroamericano, MCCA) was founded in 1960 and refounded as the Central American Integration System (Sistema de la Integración Centroamericana, SICA) in 1993.
- The Organization of African Unity (OAU) was founded in 1963 and refounded as African Union (AU) in 2000.
- The Association of Southeast Asian Nations (ASEAN) was founded in 1967.
- The Pacto Andino was founded in 1969 and refounded as Andean Community of Nations (Comunidad Andina de Naciones, CAN) in 1997.
- The South Pacific Forum was founded in 1971 and refounded as Pacific Islands Forum in 1999.
- The Caribbean Community (CARICOM) was founded in 1973 and practically refounded in 2001.
- The Economic Community of West African States (ECOWAS) was founded in 1975 and practically refounded in 1993.
- The South African Development Cooperation Council (SADCC) was founded in 1980 and refounded as Southern African Development Community (SADC) in 1992.
- The Gulf Cooperation Council (GCC) was founded in 1981.

61 Pacific Islands Forum, *The Pacific Plan*, online at: www.forumsec.org.fj/docs/PPlan/Final%20Draft%20Pacific%20Plan-%20Sept%202005.pdf.4.

- The South Asian Association of Regional Cooperation (SAARC) was founded in 1985.
- The Southern Common Market (Mercado Común del Sur, MERCOSUR) was founded in 1991.
- The Commonwealth of Independent States (CIS) was founded in 1991.

The life span of all these schemes of regional cooperation and integration is too short to draw conclusions concerning their relevance and long-term impact. Looking back to the history of five decades of European integration, it would have been unhistorical to judge the European Union's ultimate fate by the stage of development of the European Economic Community in 1970, prior to even fully realizing its primary goal of customs union. Nobody can envisage the state of regional integration-formation in Central America by 2020, in the Gulf by 2030, in Asia by 2040 or in Africa by 2050. Yet, preliminary comparative remarks can already be made in the first decade of the twenty-first century. They must have two different approaches: On the one hand, one can ask as to how far key features explaining the success of European integration can be found elsewhere, if only in embryonic form. On the other hand, the current state of regional cooperation and integration outside Europe can be compared in terms of the genuine goals of each scheme and the challenges each of the efforts has encountered so far.

Ten preliminary conclusions can be drawn that invite further research on comparative global regionalism.⁶²

(1) There is no universally applicable theory of integration. No law of politics explains inevitable patterns toward regional integration. Contingent combinations of motives, context, goals, interests and potentials define every individual integration process. It is evidently not necessary to begin the path toward integration with supranational elements in order to eventually reach such a stage of integration. With the Pillar Structure of the Treaty of Maastricht, the European Union has shown that intergovernmental cooperation can plant the seed for later supranational integration. The journey along one or the other of the discussed integration schemes might end up taking the same course. Pooling sovereignty over time must not mean beginning with a pooling of sovereignty. One can get there at a later stage. The fact that none of the non-European integration schemes began with supranational elements does not justify the conclusion that they will never reach that stage. It remains true however that only supranational pooling of sovereignty under the scheme of a common legal order distinguishes regional integration as understood in Europe from cooperative regional integration and other variants of economic and/or political cooperation.

62 For authentic assessments from different regional groupings see Kösler, Ariane, and Martin Zimmek (eds.), *Global Voices on Regional Integration*, ZEI Discussion Paper C 176, Bonn, Center for European Integration Studies, 2007.

(2) The assumption that regional integration continues according to consistent patterns of spill-over must not necessarily be true either. The non-European experience with integration suggests that functional integration takes place notwithstanding the original purpose and orientation of integration schemes. It can, in fact, reach out at any time into a new policy field, depending on political circumstances in a region and decisions taken by regional political leaders (ASEAN, MERCOSUR, SAARC, ECOWAS, GCC, AU). Non-European integration experience also suggests that renewed and intensified integration must not necessarily complete a chosen path along the model of European integration elsewhere. It can leave some integration processes “unfinished”, while embarking on a new set of integration policies. Non-European experience also testifies to the fact that integration can fail completely and lead to the dissolution of a seemingly well-established effort (i.e. the East African Community). Non-European experience supports the European experience that processes of “deepening” integration efforts from the logic of economic integration to the sphere of foreign policy and security are not mutually exclusive with means to “widening” the integration community in order to achieve regional membership cohesion (ASEAN, CARICOM, SADC).

(3) All non-European states have originally “copied” the traditional European notion of state-centered sovereignty (the “Westphalian state system”). As much as European states have encountered the limits of this concept and have embarked on the long process to overcome its constraints and flaws, most non-European states – with the United States as a certain exception –encountered the limits of their capacity as single states. In fact, they all contributed to our understanding of sovereignty as “organized hypocrisy” – which contains also a lesson for the United States.⁶³ Most non-European states concluded the need and usefulness of transnational cooperation and eventual supranational integration as the best possible answer to the limits of the Westphalian model. Motives remain mixed and approaches mostly inconclusive, yet a general experience is evident in non-European efforts toward regional integration: The search for answers to specific economic, political or security challenges is increasingly geared toward regional responses. Formal pooling of sovereignty might come last, but the trend away from rigid state-centered solutions in order to meet the challenges individual states are encountering is obvious in all non-European schemes of regional integration building.

(4) The most important conclusion from the non-European experience with integration building is about the link between regime asymmetry – to be more precise: between a regional commonality of democratic systems – and advanced, trust-based integration with the potential of shared sovereignty and legal norms. The European experience underlines the conditions necessary to embark on the path for viable

63 See Krasner, Stephen D., *Sovereignty: Organized Hypocrisy*, Princeton: Princeton University Press, 1999.

democratic transnational cooperation and supranational integration: Countries are inclined to bind their fate together only if they recognize the political system of their partners as equivalent to their own (GCC, MERCOSUR, SICA). Dictatorships or authoritarian regimes might formally get together with democracies in an intergovernmental organization out of specifically defined common interests, but they will barely tolerate interference in their domestic affairs (ASEAN, SAARC, AU). As this is inevitably the ultimate consequence of pooled sovereignty, they remain reluctant to move from rhetorical integration to real integration. The more partner countries of a given regional integration scheme achieve regime cohesion among themselves, based on democratic governance and rule of law, the more likely it is that the integration process in a particular region can advance toward a better realization of its original ambition and potential. Only cohesion between state sovereignty and popular sovereignty can pave the way to transnational trust and supranational pooling of sovereignties, affecting both state systems and citizens rights. As long as bilateral conflicts nurture mistrust in a region that is also divided by different political regimes, viable integration progress is unlikely (SAARC, ASEAN, SADC). Yet, the seeds of certain integration potential can already be planted, thus recognizing and awakening a growing regional awareness of its desirability and necessity.

(5) The European experience with Franco-German partnership advancing the integration process, while at the same time overcoming historical resentments and balancing ongoing structural differences between the two countries, has been studied in non-European integration schemes. In the rare cases it was applied – even if only indirectly – it generated effects comparable to the European example of Franco-German cooperation (Argentina-Brazil, Thailand-Vietnam). More likely in non-European regions is either the presence of one dominating regional power in the absence of an obvious “lead couple” (Saudi-Arabia, India, Nigeria, South Africa, Russia). Often it is therefore not obvious which countries can play the joint role of a locomotive for regional integration. In the absence of this possibility, regional integration remains largely reactive to challenges the whole region can recognize as common concern. The strong inclination toward excessively consensual decision-making, which is typical in these cases of regional integration, is not supportive of efficient and speedy decision-making.

(6) The pattern of regional integration in a non-European setting does not suggest particular clarity as far as the choice for priorities is concerned. In some cases, defense considerations have generated integration schemes that nevertheless were immediately embarking on economic measures (GCC, ASEAN). In other cases, unfinished economic integration has not prevented partners of a regional integration scheme from starting joint foreign and security policy considerations with their distinct ramifications (ASEAN, SAARC, ECOWAS, SADC, MERCOSUR). The weaker national political or economic sovereignty, the weaker is the inclination – or the ability – to advance pooled

sovereignty on the regional level. Strengthened national confidence, coupled with the recognition of the limits of state-capacity, can support integration efforts. Strong sovereignty in non-European developing countries – as rare as it exists – has not been automatically supportive of the notion of shared or pooled sovereignty with other partners, all the more so if their domestic political system is different or even antagonistic (India, Russia).

(7) The discourse about the relationship between integration and identity has not been limited to Europe. Also outside Europe, geographic proximity and traditional patterns of commerce have been identified as “cultural” elements favoring the logic of integration. Obvious cultural cohesion has been invoked in some cases of non-European regional integration, but it is astonishing that this invocation has not automatically generated stronger integrative bonds (Latin America, GCC). More surprising however is the realization that enormous cultural differences do not necessarily impede the emergence of regional integration mechanisms (SAARC, ASEAN, CIS). They can even transcend into a counterfactual argument favoring the promotion of a regional “consciousness” based on geographic proximity and cultural pluralism. Given their own inclination to define culture exclusively, Europeans might believe that multicultural circumstances are unfavourable to cooperation. Reality elsewhere proves such European perceptions wrong.

(8) Most non-European integration efforts – as was the case in Europe – encountered substantial threats of failure, phases of stagnation, detours and obstacles that enforced a change of direction (SICA, CAN, AU). As in Europe, a stronger focus on regional integration was usually driven by external challenge and pressure. Integration processes always seem to depend, if not “rely” on external pressure. It almost seems as if they can almost hope for a second, externally induced encouragement whenever they exhaust their original internal commitment.

(9) In Europe as elsewhere, processes of regional integration generate multilateral and, moreover, multi-vertical realities – both formal and informal – that impact on the member states of an integration scheme as much as they impact the path of the integration process itself. In Europe, it took several decades before EU member states began to thoroughly experience the impact of integration: Since the 1990's, most of them have begun to increasingly view integration as an intrusion into their domestic political structures. Non-European experiences with integration will most likely go through similar stages. In the end, this mechanism could turn out to be more important than a formal transfer of sovereignty. In fact, it would equal a non-overt, informal transfer of sovereignty. It could lead to pooled sovereignty not by choice, but by implication.

(10) The effects of regional integration on the global state system and on political theory are only gradually emerging.⁶⁴ The European experiment has brought about a genuine political form, followed by a genuine notion of sovereignty, of multilevel democracy and governance, of multiple identities and an intuitively multilateral orientation in global affairs.⁶⁵ Whether or not these trends will repeat themselves in the context of other regions remains to be seen. The more solidified non-European regional integration becomes, the more it will contribute to the evolution of a multipolar world order, based on the roles of regions and continents, curiously enough with the United States and Canada, and, in a different setting, Australia and New Zealand primarily operating on their own. The global trend of regional integration will also impact our understanding of political theory, most notably about norms of democratic governance, concepts of pooled sovereignty and notions of multiple identities.

The European Union has begun to develop a pro-active policy of promoting worldwide region-building. With the success of European integration, Europe has overcome its image as the colonizing continent. Europe has returned to the world as a partner in cooperation, assistance and multilateralism. This new approach of Europe to world order-building finds an echo in the EU's promotion of region-building.⁶⁶ Three dimensions of the pro-active policy of the European Union can be identified:

- Support for existing efforts of region-building.
- Forming of regional groupings by classifying partners through bi-regional negotiations.
- Connecting with the existing and developing regional architectures.

Most comprehensive is the EU's policy toward the countries of Africa, the Caribbean and the Pacific. The EU maintains long-established relations with this group of the poorest countries in the world, the so-called ACP countries. A long experience, beginning with the Yaoundé Convention in 1963, has led to specialized and regionalized Economic Partnership Agreements with various sub-groupings of the ACP countries. In doing so, the EU is promoting their respective efforts in regional integration.

A more political approach has accompanied the EU relations with ASEAN, the Gulf Cooperation Council, MERCOSUR, the Andean Community and the Central American System of Integration. Here, political dialogue has given way to the search for the

64 See also Fawcett, Louise, and Andrew Hurrell (eds.), *Regionalism in World Politics: Regional Organization and International Order*, New York: Oxford University Press, 1995.

65 See Kühnhardt, Ludger, *Constituting Europe: Identity, Institution-Building and the Search for a Global Role*, Baden-Baden: Nomos, 2003: 225-270.

66 See Aggarwal, Vinod K., and Edward A. Fogarty (eds.), *EU Trade Strategies: Between Regionalism and Globalism*, Hounds Mills: Palgrave Macmillan, 2004; Hettne, Björn, and Fredrik Söderbaum, "Civilian Power or Soft Imperialism?: The European Union as a Global Actor and the Role of Interregionalism," *European Foreign Policy Affairs Review*, 10.4 (2005): 535-552; Telò, Mario, *Europe, A Civilian Power?: European Union, Global Governance, World Power*, New York: Palgrave Macmillan, 2006.

formation of a more broad-based bi-regional association. It is significant for the inner fragility of SAARC and, even more so, of the Commonwealth of Independent States, that the EU has been reluctant to engage in comprehensive bi-regional activities with these two groupings. But all in all, it must be concluded that the EU is in search of bi-regional partnerships and associations across the world. Although only embryonic at this stage, inter-regionalism is becoming a new dimension in global governance.⁶⁷

Interesting, but perhaps not surprising, is the absence of efforts of regional integration-building in those two regions of the world that are at the heart of the most troubling world conflicts and embody the most critical zones of strategic insecurity in the world: the Broader Middle East and Northeast Asia. Both regions reflect the mechanisms of outdated European power struggles (Northeast Asia) and unresolved issues of democratic nation- and state-building (Broader Middle East). Both regions are dominated by a “balance of suspicion,” rooted in long-standing conflicts. In spite of North East Asia’s share of 25 percent of the global economy, the region lacks a strategic equilibrium based on a common system of cooperative security or on an interdependence-oriented system of economic integration.⁶⁸ The Broader Middle East has been “discovered” as a region in the aftermath of the geostrategic implications of Islamic terrorism and the fear of a proliferation of weapons of mass destruction. This regional concept has been framed in response to the absence of democracy and pluralism in the region between “Marrakech and Bangladesh.”⁶⁹ As in Northeast Asia, neither democratic regime cohesion nor shared understanding, or interest in the potential benefits of regional cooperation and subsequent integration as a path of overcoming regional insecurity and political antagonisms, exists yet in the Broader Middle East.

Instead, a balance of mistrust governs the Broader Middle East and Northeast Asia to this day. And yet, also these parts of the world are at least increasingly perceived as regions. Analysts have begun to discuss elements of comparison between the geostrategic stalemate in Northeast Asia and the European integration experience.⁷⁰ The search to apply EU experiences to integration to a post-conflict Middle East has also

67 See Farrell, Mary, et al. (eds.), *Global Politics of Regionalism: Theory and Practice*, London: Pluto Press, 2005; Hänggi, Heiner, et al. (eds.), *Interregionalism and International Relations*, Abingdon/New York: Routledge, 2005.

68 See Kim, Samuel S., (ed.), *The International Relations of Northeast Asia*, Lanham: Rowman & Littlefield, 2004.

69 Asmus, Ronald D., and Kenneth M. Pollack, “The New Transatlantic Project,” *Policy Review*, 115 (2002): 3-18; Kühnhardt, Ludger, *System-Opening and Cooperative Transformation of the Broader Middle East: A New Transatlantic Project and a Joint Euro-Atlantic-Arab Task*, EUROMESCO Papers No. 26, Lisbon: Euro-Mediterranean Study Commission, 2003; Scheffler, Thomas, “‘Fertile Crescent’, ‘Orient’, ‘Middle East’: The Changing Mental Maps of Southwest Asia,” *European Review of History*, 10.2 (2003): 253-272; Marchetti, Andreas (ed.) *The CSCE as a Model to Transform Western Relations with the Broader Middle East*, ZEI Discussion Paper C 137. Bonn: Center for European Integration Studies, 2004.

70 See Dent, Christopher M., and David W.F. Huang (eds.), *Northeast Asian Regionalism: Learning from the European Experience*, London: Routledge, 2002; Moon, Woosik, and Bernadette Andreosso-O’Callaghan (eds.), *Regional Integration – Europe and Asia Compared*, Aldershot: Ashgate, 2005.

generated remarkable proposals while the world is still torn by the ongoing and seemingly irresolvable conflict.⁷¹

The global proliferation of regional integration has spread the seeds of this process to all corners of the globe. Its ultimate result will not be judged merely by the growth in comparative power of any of these integration schemes, although this will always be an important category for the realistic study of world order. The value of regional integration has to be judged in itself through the prism of the people and countries involved. No matter what the impact of regional integration on global power equations will be, both the people and countries involved own, shape and determine each particular integration process and its effects. It is also in this context that the European integration experience – a Union of states and a Union of citizens – will continue to serve as a precedent for other regions around the globe. At long last, John Stuart Mill's assumption, written back in the second half of the nineteenth century, might find resonance: "When the conditions exist for the formation of efficient and durable federal unions, the multiplication of such is always a benefit to the world."⁷²

71 See Magen, Amichai, and Shlomo Shpiro, *Towards a Comprehensive Security Approach in the Middle East: Lessons from the European Experience in Justice and Home Affairs Cooperation*, Tel Aviv: The Tami Steinmetz Center for Peace Research, 2003.

72 Mill, John Stuart, *Considerations on Representative Government*, Amherst: Prometheus, 1991: 331-332.

Ideas, Norms, Theories

