



# **Political Economy of Regional Integration: Europe, East/Southeast Asia, Latin America Compared**

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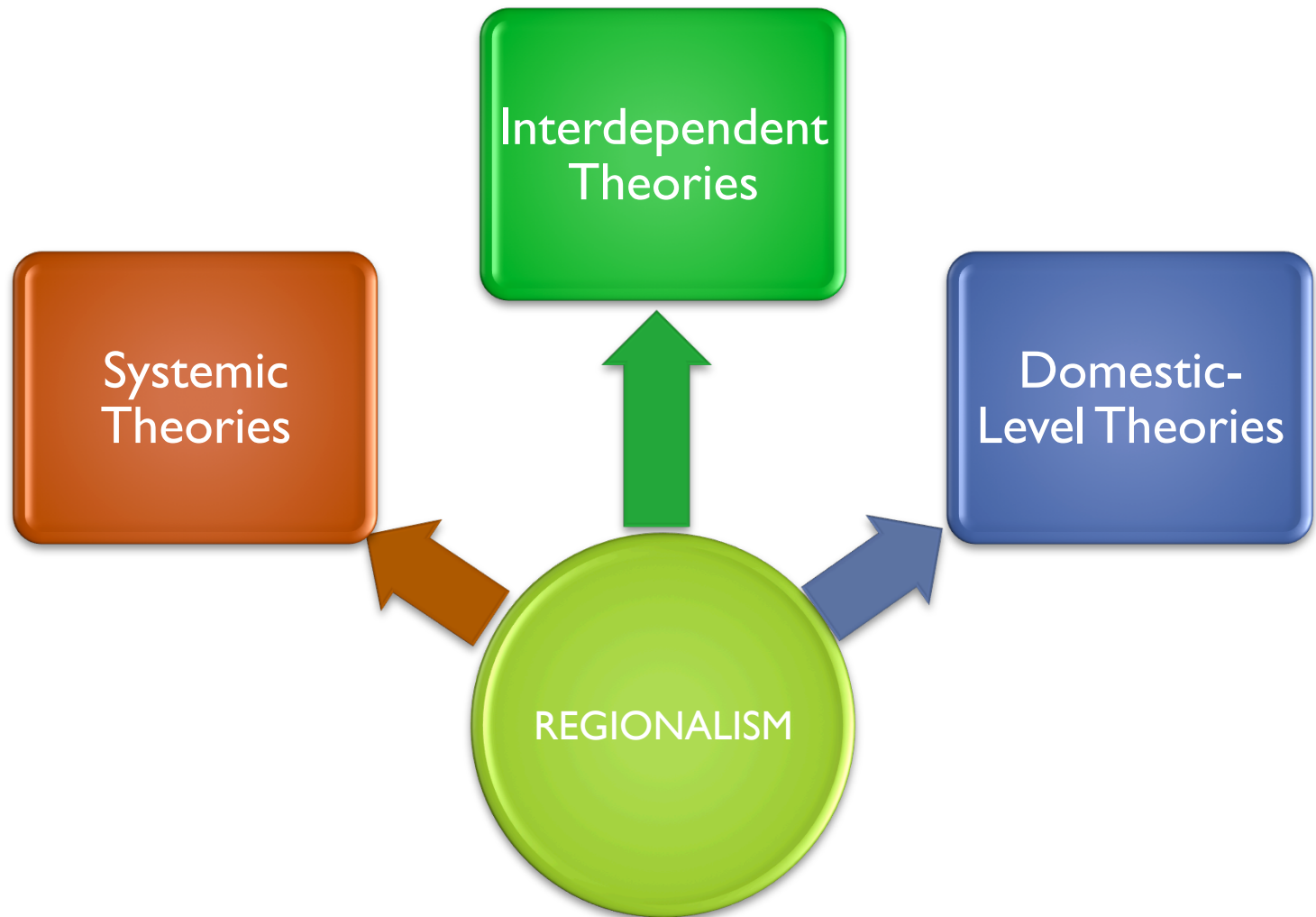
# Background

- Wide-ranging regional arrangements in the post-Cold War landscape of international political economic relations
- Regional integration as phenomena of policy processes, coordination and regimentation
- Europe as a prototype of such regimentation
- Comparative approach to East/Southeast Asia and Latin America

# Qs Addressed

- Political economic perspective on theorization and conceptual framework of regional integration?
- Regionalization in European (EU), East/Southeast Asian (AFTA/ASEAN+3) and Latin American (MERCOSUR)?
- Consequences and implications to member countries' domestic and international politics?

# On the Study of Regionalism: Political Economy Explanation



# Regional Integration: Original #1 International Relations Explanation

## Ernst B. Haas' Europe (1958): the Theory of Regional Integration

- Early unification processes of Western Europe and establishment of ECSC
- Integration as a process, rather than status
- A process rest on perceptions of the interests of groups, individuals, governments
- Focus on these actors, their motives, ideologies and conduct

# Regional Integration: Original #2

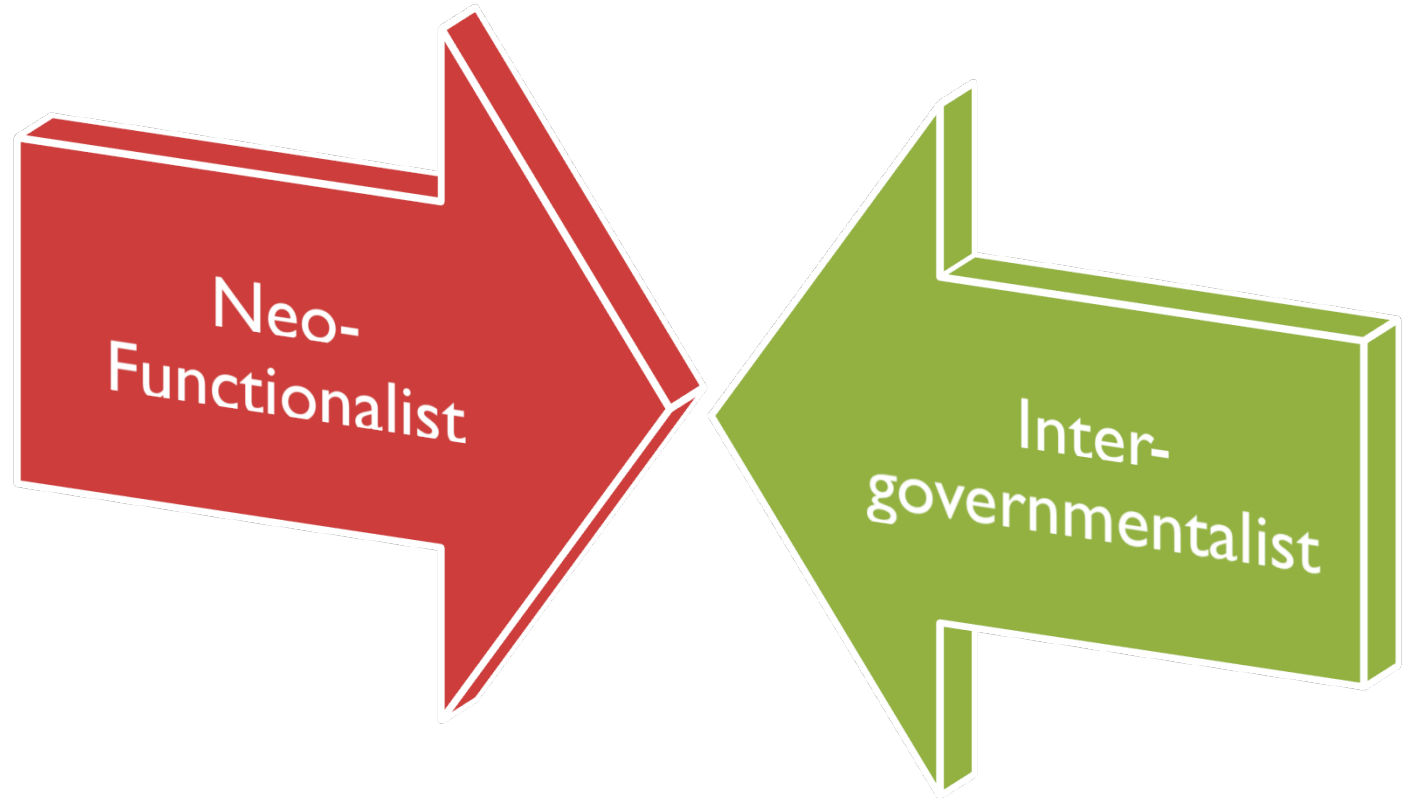
## Economics Explanation



### Bela Balassa's Europe (1961): the Theory of Economic Integration

- Economic integration fosters growth of the economies involved
- Various dynamic factors
  - Large-scale economies/wider market
  - Lessening uncertainty in intra-area trade
  - Faster rate of technological change

# Two Contending Approaches



# Neo-functionalism

- Based on the works of Haas (1958), Balassa (1961)
- Novel synthesis of David Mitrany's theory of functionalism and Jean Monnet's pragmatic strategy of European integration
- Spill-over effects of functional activities among member states
  - Recognition of the importance of national states in the foundation of regional organizations
  - Emphasize of the roles of non-state actors: interest associations, social movement, and secretariat of the organization
- Demise of neo-functionalism: Charles de Gaulle's *real-politik* backlash against integration
- Reborn of neo-functionalism following the 1980s easy agreement on scores of European integration treaties...



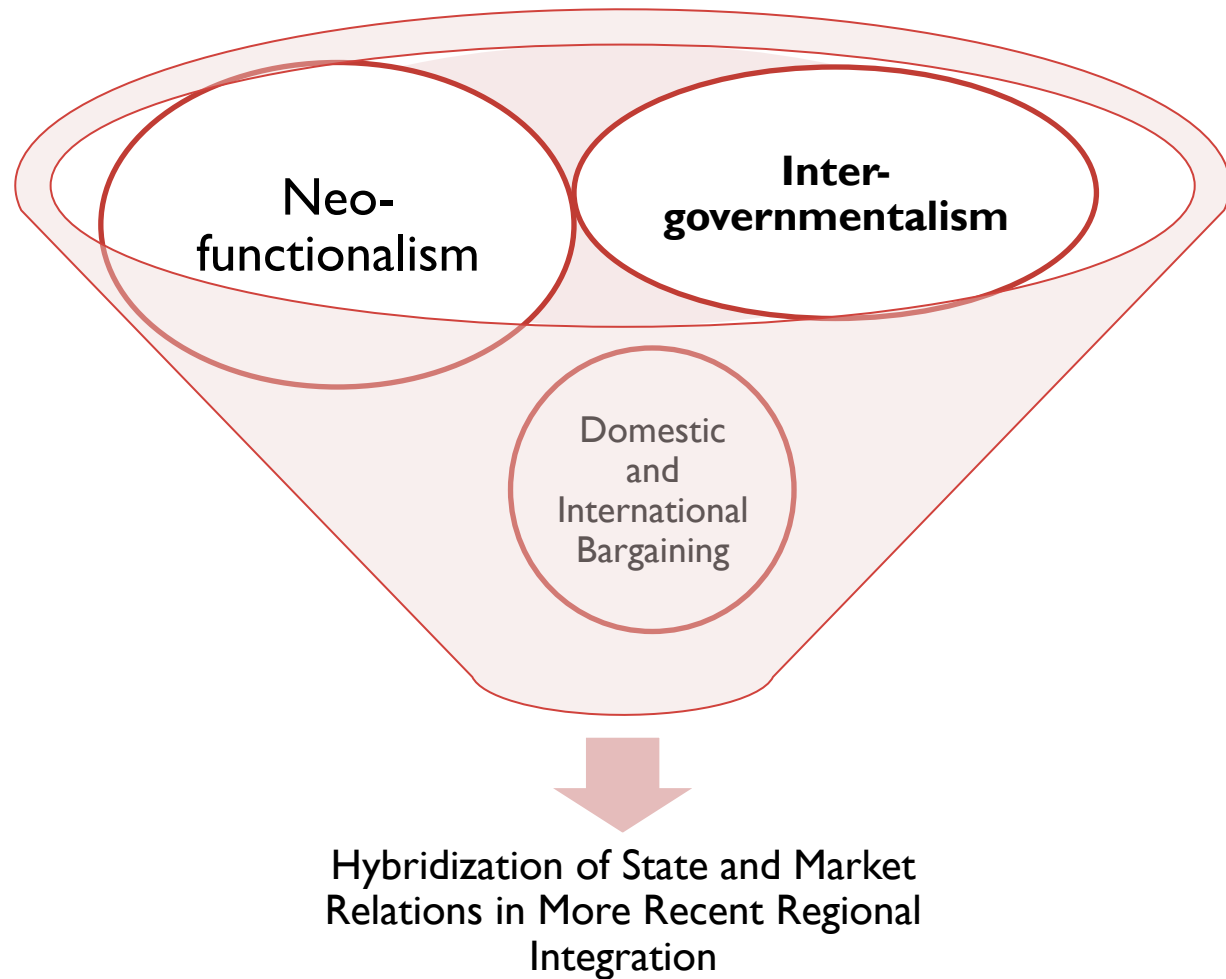
# Inter-governmentalism

- Major figure: Stanley Hoffman (who developed the approach in the mid of 1960s)
- Building on realist premises, it rejects the idea of neo-functionalism
  - Integration as a convergence of national interests
  - Roles of domestic interests in helping define national state preferences
  - National governments control the level and speed of integration
- Focus on major sets of inter-state bargains (especially inter-governmental conferences) and on the decision-making of the Councils of Ministers, rather than on the roles of the Commission, European Parliament, or societal actors

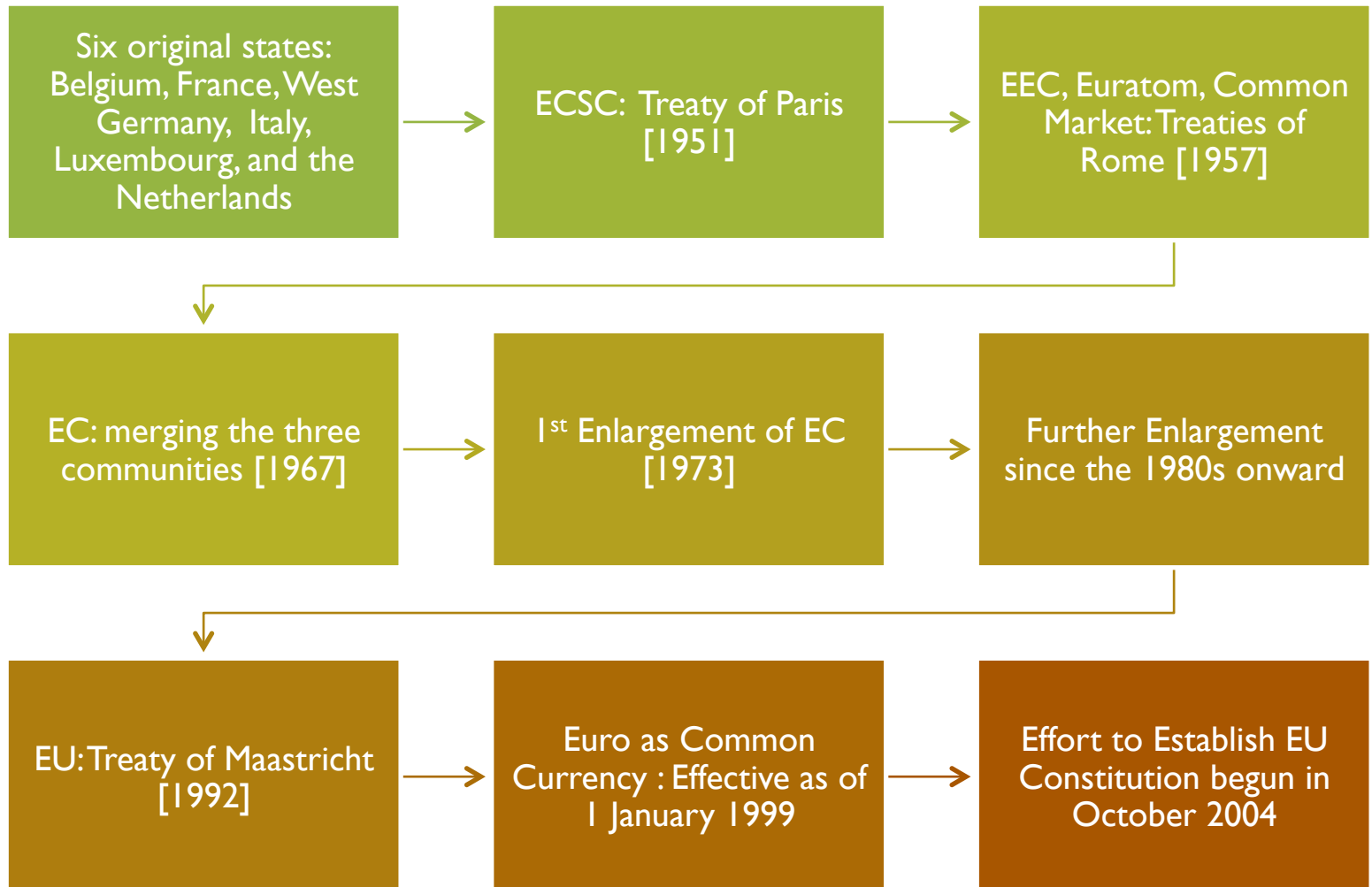
# Conceptual Frameworks and Hypothetical Postulates

- Alternative approach to recent phenomenon of regional integration elsewhere?
  - On ASEAN AFTA and ASEAN+3/EAC
  - On MERCOSUR/CMC and CSN
- On particular cases of East/Southeast Asian and Latin America, the nature of regionalization is neither fully functional nor fully inter-governmental
  - On ASEAN/EAC: State-driven regionalism amidst fast integration, regionalization processes
  - On MERCOSUR/CSN: Non-state/capitalist-regionalism amidst slow integration, regionalization processes

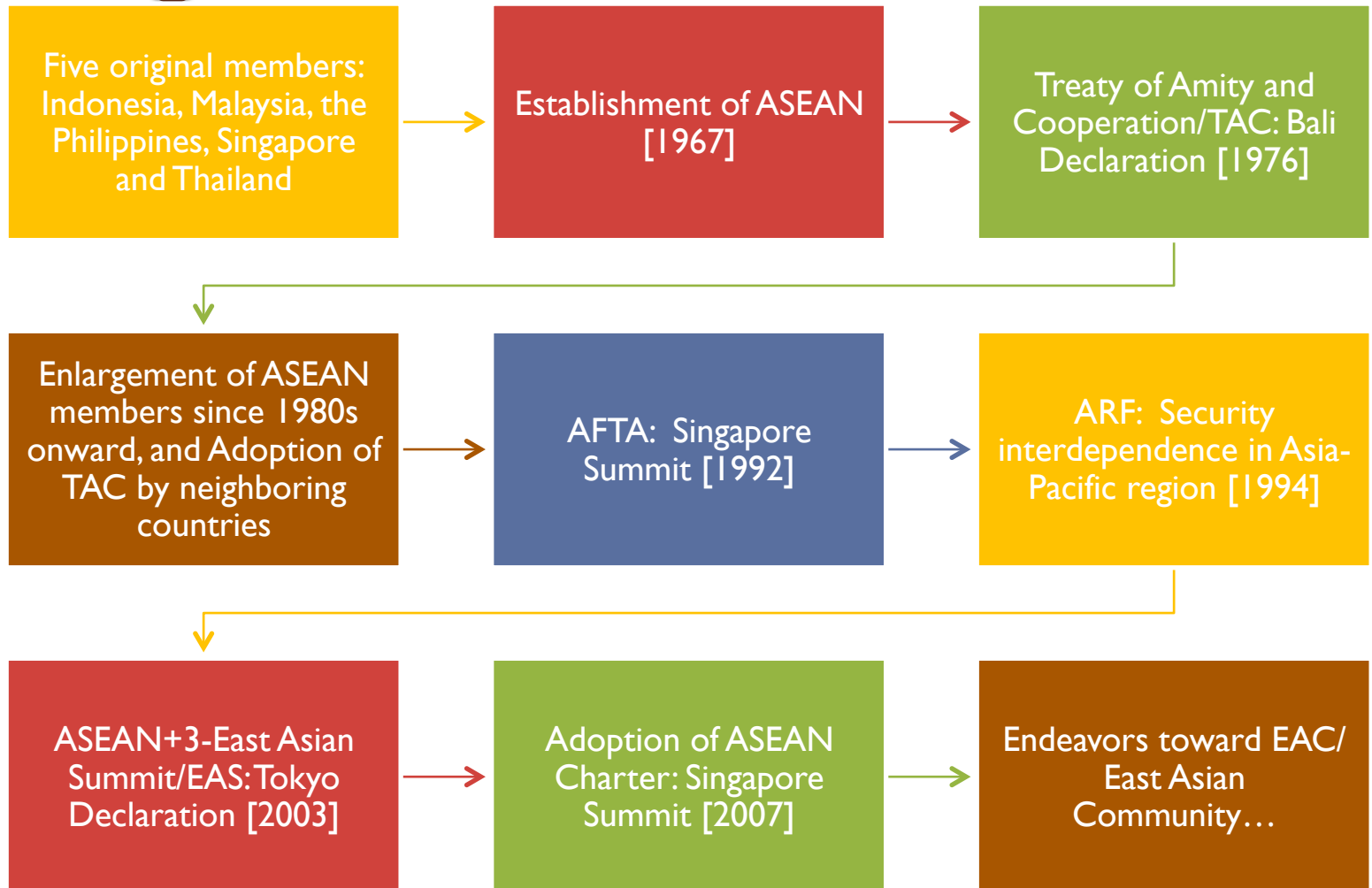
# An Alternative Approach?



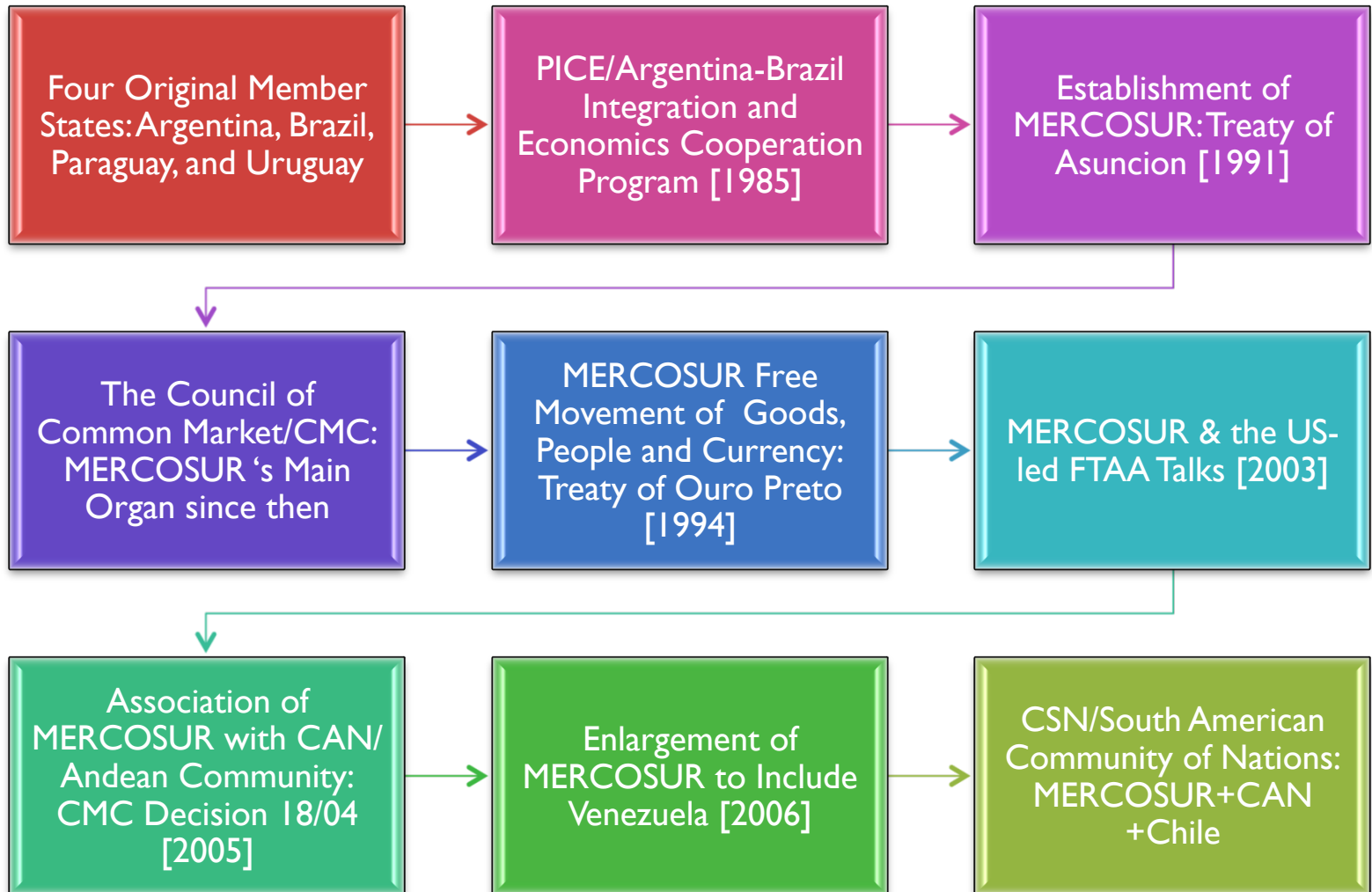
# The Case of European Integration: Evolution towards EU



# The Case of East/Southeast Asian Integration: Evolution towards EAC



# The Case of Latin American Integration: Evolution towards CSN



# Preliminary Assessment: ASEAN to EAC

- Major feature: **state-driven regionalism**
  - Intense and constant involvement of state and governmental apparatus in regional pacting
- Indicators need to be explored:
  - Historical outlook: highly politicized ASEAN
  - Institutional arrangement: TAC-guided and ASEAN-Way regionalism
- Challenges and agenda ahead: non-interference principle, economic regionalism, and identity

# Preliminary Assessment: MERCOSUR to CSN

- Major feature: capitalist-driven regionalism
  - Reproduction of deep and continuous influence and operation of Western capitalist market in the area
- Indicators:
  - Historical outlook: basic tenet of capitalist-induced processes
  - Institutional arrangement: response to neighboring regionalization
    - Countering possible protectionism
    - Absorbing under-utilized capitals, investments
- Challenges and agenda ahead: unequal exchanges among players which implicate to domestic democratic regimentation and international “ideological” contestation (re: the ALBA case)