The Relevance of Regional Integration as a Global Developmental Strategy: A Theoretical Analysis

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Abstract

This paper discusses the theories of regional integration and provides an explanation to the relevance or otherwise of the entire concept as a global developmental strategy. Hence, the paper is divided into four major parts, thus, part one introduces the discussion and provides a brief definition of regional integration; part two gives a brief explanation on why states or nations integrate, while part three discusses the various forms of integration. The theories of regional integration are discussed in part four, while a short summary and a conclusion round off the paper.

Key Words: Regional Integration, Global Developmental Strategy.

Introduction and Definition

Integration is a term that has been subjected to various vague and contradictory definitions. Often, one gets the impression that the study of regional integration is synonymous with the study of regional co-operation, regional organisation, regional systems, sub-systems or regionalism. These terms have often been used interchangeably by scholars; they therefore compound the general uncertainty of "whether regional conquerors and nation builders are also actors on the stage of regional integration."2 Regional integration is a unique process that is fundamentally different from other systematic studies of political unification because it is non-coercive in its orientation and operation.3 Karl Deutsch, one of the founding fathers of modern integration theory argued that integration is the attainment within a "territory of a sense of community and of institutions and practices strong enough and widespread enough to assure for a long time dependable expectations of peaceful change among its population."4 Another scholar, Ernest Haas defines integration as the "tendency towards the voluntary creation of larger political units, each of which self-consciously eschews the use of force in the relation between the participating units and groups."5

Thus, it could be argued that while Deutsch regards integration as a condition in which hitherto separate units have attained a relationship of mutual interdependence and jointly produce system properties which they would separately lacked, Haas considered integration as a process by which the actors concerned begin voluntarily to give up certain sovereign powers and evolve new techniques for tackling common problems and resolving mutual conflicts. However, there is a general agreement among integration theorists that integration consists of a merger of separate institutions and communities usually

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2 Ibid.
5 Haas, "The Study of Regional Integration, 3. However, it is remarkable to note that this position of Ernest Haas is contradicted by Chimely Chime who argued that it is a mere wishful conviction than a self-evident fact to assume that integration will always proceed along co-operative lines. For details, see C; Chime (1977). Integration and Politics among Africa States, Uppsala: Scandinavian Institute of African Studies.
within a specific geographical region into a larger unit. Examples of regional organisations includes the Economic Community of West African States (ECOWAS), the European Union (EU), the Southern African Development Consultative Committee (SADCC), the Association of South-East Asian Nations (ASEAN), the African Union (AU), to mention but a few. At this point, this work shall focus on why nations integrate.

**Why Do Nations Integrate?**

It is difficult to discuss exhaustively, the reasons why states integrate in an essay of this length. However, the following reasons can be identified as to why states integrate irrespective of whatever form of integration the nations desire to accomplish. Thus, the principal tasks of integration can be discussed under the following headings:

1. **Peace.** The desire to maintain peace and peaceful co-existence is one of the major goals of integration, because it is believed that every nation or country within the integration network will respect the provisions of the charter setting-up the system.

2. **Capacity Building.** Nations also integrate to assist each other by way of technical assistance, training and research. In some cases, nations embark on integration in order to achieve the best or optimal results from economies of scale.

3. **Multipurpose Capabilities.** The desire to achieve greater multipurpose capabilities in all facets of life is another reason why states normally embark on integration process. The attainment of multipurpose capabilities is usually indicated not only in the gross national product of the country, but also in the scope and diversity of its current undertakings.\(^6\)

**Forms of Integration**

It is an accepted fact that societies are complex social systems composed of different sectors, thus we can distinguish different forms of integration, namely economic, political, and security. However, the diverse processes tend to converge as the integration process intensifies. This piece shall now undertake a brief explanation of the various forms of integration.

**Economic Integration**

In the most general sense, economic integration refers to the process whereby the economic barriers between two or more economies are eliminated. To be more specific, economic integration involves the design and adoption by governments of specific policy decisions aimed at reducing or removing barriers to mutual exchange of goods, services, capital and people. Furthermore, economic integration also evolves from the natural forces of proximity, greater intra-firm trade, and income and policy convergence.\(^7\)

A close observation of the economic integration process has revealed that it is often a staged process that moves from a Preferential Trade Area to a total economic integration. The market forces set in motion at one stage will create spillover effects to the next stage, making its implementation a *sine qua non*. However, it is not a rule that economic integration projects must always follow these stages. For example, the most successful economic integration witnessed thus far in history i.e. the European Union (EU) skipped the first stage of the establishment of a Free Trade Area, but started immediately with a Custom Union.\(^8\) Thus, it can be argued that the early stages of economic integration tend to focus on the elimination of trade barriers and the creation of a Custom Union.

The different forms and stages of economic integration shall now be discussed. As mentioned earlier, the first form or stage towards the realisation of economic integration is the establishment of a Free Trade Area. A Preferential Trade Area (PTA) is at the lowest level of economic integration, and this means that the members charge each other lower tariffs than those applicable to non-members. However, there is no free movement of goods within the area.\(^9\) On the other hand, a Free Trade Area represents a situation where the barriers and quotas to mutual trade are completely removed. For example, the

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members of the North American Free Trade Area (NAFTA), Canada, Mexico and the United States, pledged to abolish all barriers to mutual trade. Unlike a Custom Union, each member continues to determine its own commercial relations with non-members. Other examples of Free Trade Areas include the ones between Mexico and the European Union, Canada and Chile, the United States and Jordan, to mention but a few.\textsuperscript{10}

The creation of a common market is another form and the next step towards economic integration. A common market denotes a situation in which the obstacles for the free movement of labour, capital, services and persons are eliminated. For a common market to be effectively established, the following instruments must be put in place: a trade liberalisation programme, the adoption of a common external tariff, the coordination of macro-economic policy, and the adaptation of sectoral agreements.\textsuperscript{11} Some examples of common markets include the defunct European Common Market (ECM) that has now transcended into the European Union (EU), and the defunct East African Common Market.

The Economic and Monetary Union (EMU) is another form and the last stage of achieving a proper economic integration. The aim of the Economic and Monetary Union is to coordinate the economic policies of the member states so as to facilitate investments and trade within the internal market. However, there is also a political goal, because the Economic and Monetary Union is expected to strengthen and deepen the economic integration process. Examples of working Economic and Monetary Unions include the West African Economic and Monetary Union (WAEMU), and the European Economic and Monetary Union (EEMU).\textsuperscript{12}

Notwithstanding the existing differences among the various forms, and stages of economic integration, they all have one feature in common, i.e. the reciprocal nature of the preferential treatment, which the members accord to one another. Hence, it can be argued that this is the main reason the various forms and stages of economic integration (i.e. Free Trade Areas, Custom Unions) are often bundled under the banner of regional trading arrangements or preferential trading agreements. What is more, political considerations also contribute to the emergence of economic integration. Thus, deeper forms of economic integration tend to be accommodated by, or to result from, political integration processes. A good example of this model is the European Union, whose processes of economic and political integration were linked from the very beginning.

**Political Integration**

The weaker forms of international political integration refer to co-operation between states and formations of state-based regimes. While the deeper forms of political integration refer to the constitution of new political entities, which have a certain degree of independence in regard to the individual state. Thus, political integration involves the strengthening of a political system, with particular reference to the scope and capacity of its decision-making process.\textsuperscript{13}

Legal integration is closely related to political integration and involves the establishment of common legal rules and a common legal system for the citizens of the different states of a region. More often than not, political integration has also been referred to as the creation of supranational institutions. A good example that readily accommodates the definitions given above is the defunct Organisation of African Unity (OAU).

The desire to politically and economically integrate Africa through the Organisation of African

\textsuperscript{10} Centre for Regional Integration Studies (2002). \textit{Educational Module on Regional Integration}, New York: United Nations University, 8 – 10.

\textsuperscript{11} Ibid.

\textsuperscript{12} The EEMU was launched in three stages, beginning, in 1990. The first stage involved the development of mechanisms to facilitate money transfers between member states, the procedures for economic policy coordination were strengthened, measures to render the various central banks less dependent on political decisions were taken- and the states were to accept the exchange rate mechanism (ERM). The second stage, involved the establishment of the European monetary Institute, which was given the task to herald a single monetary policy and to monitor the cooperation under the ERM. During this stage the member states were to make sufficient progress to satisfy the convergence criteria i.e. stable prices, stable exchange rate; healthy public finances; long term interest rates. The final stage marked the fulfilment of a complete monetary union, including: a single currency – the Euro, a common central bank – the European central Bank (ECB) and a single monetary policy and exchange – rate policy. The monetary union was launched on 1\textsuperscript{st} January 1999, with the Euro entering into general circulation on 1\textsuperscript{st} January 2002.

Unity were merely ad hoc and summit driven, which resulted in promising declarations but without a concomitant follow-up or implementation strategies. This is not to argue that the Organisation of African Unity failed at all levels. It must be noted that the organisation was quite successful in formulating and coordinating policies towards extra-African actors and jointly engaging in the struggle against colonial and racial discrimination, but in matters relating to economic and development issues, the Organisation of African Unity proved incapable to deliver.

Recently, a wind of change blew across the African continent. In March 2002, African leaders agreed on the creation of an African Union, thereby replacing the Organisation of African Unity with a new Pan-African body. The new body was loosely modelled after the European Union and included in the plan was the establishment of a Pan-African parliament, an executive council, a court of justice and a central bank.¹⁴

**Security Integration**

At the peak of the Cold War era, security was viewed in very narrow terms of political and military security. However, at the end of the Cold War, the concept has been viewed from a broader perspective whereby security goes beyond the military scenario to embrace the political, economic, societal and environmental dimensions. It must be mentioned here that regional security organisations, such as the Organisation for Security and Co-operation in Europe (OSCE), the North Atlantic Treaty Organisation (NATO), and the defunct Warsaw Pact, were different in nature and purpose from a regional security integration arrangement such as the Association of Southeast Asian Nations (ASEAN).¹⁵

While the Organisation for Security and Co-operation in Europe, North Atlantic Treaty Organisation, and the defunct Warsaw Pact can be categorised into the alliance type of regional security integration, they also represent the political and military interpretation. Whereas, the enhancement of the security and welfare of the participating states through cooperation and collective action is the primary objective of the Association of Southeast Asian Nations. "The 1967 Bangkok Declaration that formally established the Association of Southeast Asian Nations stated that the priority of the body was to ensure that the economic, social and cultural progress of the region is unhindered." It further asserted the determination of the member states to prevent external interference, ensure socio-economic and political stability, and the overall security of the region.

It is therefore not out of place to discover that the promotion of regional peace and stability is a primary objective of the various inter-governmental organisations, but the task of dealing with domestic conflicts remained in the hands of each member states. Furthermore, it can be argued that Association of Southeast Asian Nations’ role in conflict resolution was limited to putting off external interference and giving diplomatic support to members during international meetings. Thus, even if the possibility were real that a domestic conflict would have a negative impact on the stability of the region, Association of Southeast Asian Nations would refrain from intervention or intermediation. A good example is the internal political crisis in Thailand that prevented the Association of Southeast Asian Nations summit in 2009. Again, up till date, the Association of Southeast Asian Nations has refused to mediate in the Thailand-Cambodia border dispute. Hence, member-states are urged to settle disputes through friendly negotiations.¹⁷

The success or failure of any integration process depends partly on the background conditions prevailing within and among the political units desiring integration. These conditions include: first, the mutual relevance of the integrating units to one another, second, the integrating units must be mutually responsive to each other in terms of communications and, third, the integrating units must have respect for each other's feelings. Last but not the least, there must exist a common generalised loyalty of the populace because this will ensure legitimacy to the new institution or body.¹⁸ At this point, an attempt shall be made to highlight and briefly explain some of the theories of integration.

A Theoretical Analysis of Regional Integration

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¹⁴ CRIS, *Educational Module on Regional Integration*, 11 – 16.
¹⁷ Ibid.
**Pluralism**

The pluralist school comprises of the transactionalists, the traditionalists, and communications approach theorists. Communication approach affirms the cardinal importance of communication between states in the process of integration. For the transactionalists, the measurement and assessment of patterns and flows of transactions between states is a central element in theorising on integration, while the traditionalists maintain the decisive importance of direct governmental action in promoting or retarding the process of integration.\(^{19}\)

The pluralist theory considers the nation-state as the basic unit in the process of integration. The pluralists emphasise the need for peace and security, in fact, to them, integration is synonymous with these ideals. Karl Deutsch states that since nation states are confronted with the problem of ensuring peace, it can be argued that a political community is successful if it transcends into a security community, that is, if it achieved integration, and unsuccessful if it ended eventually in secession or civil war.\(^{20}\)

The pluralist theory did not argue for the abolition of nation-states but their development, which is most likely to produce a peaceful world. The belief is that nation-states can best accommodate and regulate their interactions by developing the social communication between them and improving their capacity to assess and use information about their political environment. Thus, they define Integration as a process leading to an end-state envisaged as a “community”. The attributes of such a community are, namely, that the nation-states exercise their sovereignty in choosing their own policies and are regulated in these choices by diplomatic and strategic accommodations, by a resolve to solve their conflicts within a peaceful framework without resort to war, and by a cohesive network of transactions inducing social learning and a feeling of affinity.\(^{21}\)

Naturally, geo-political criteria, such as contiguity and existence of core areas, are used in determining the possibility of integration between states but the pluralists lay emphasis on other criteria, such as the number of common membership in international organisations, trade patterns, geography, major social and cultural characteristics, and the political attitudes of governments. Not only do the pluralists hold that these conditions are indicators of the probability of integration, they further assert that the conditions themselves sustain integration.\(^{22}\)

The pluralists have been accused of ethnocentrism mainly because of their assumption that political development and integration are mutually self-supporting given the three variables of political development, namely rationalisation, national integration and democratisation. It is quite evident that the kind of nation-state most likely to benefit from the integration process is the industrialised-democratic model. Again, the pluralist theory of national integration recognises nation-building as the essence of political development. This thinking appears to extol the virtues of a distinct ethnic basis as an important aspect of nation-building to achieve a firmly entrenched political community but contemporary studies of nation-building show that the pluralist position is not universally applicable.\(^{23}\)

**Functionalism**

Indeed, it was not until the era of reconstruction after World War II that integration theory and political practice began to converge. Prior to 1945, most schemes for regional integration were the product of political groups which blamed sovereignty for conflict in the international system and which wished to replace the nation-state by fundamental social and political re-organisation bath below and beyond national boundaries.

David Mitrany was probably the most influential functionalist. He saw in the development of international organisation, the propensity to perform human welfare tasks, a means of eroding popular support for nation-states and, thus, diminishing the threat posed to world peace by nationalism. To Mitrany, there was a proliferating range of technical, politically neutral functions within a nation that should be delegated to international organisation like the control of maritime traffic, international

\(^{19}\) C. Chime, *Integration and Politics among Africa States*, 39 – 40. Some other members of the pluralist school includes: Karl W. Deutsch, Donald Puchala, Bruce Russett, Max Beloff, Raymond Aron, Stanley Hoffmann.


\(^{21}\) Chime, *Integration and Politics among Africa States*, 42.

\(^{22}\) Ibid., 44.

\(^{23}\) Ibid., 45.
transmission of mails, communications and transportation, etc.\textsuperscript{24}

Mitrany contends that while technology is making the world smaller and drawing people nearer, politics has persisted in promoting irrational divisiveness as experienced in most nations today. He therefore argued that "...after centuries...we find ourselves with little sense of unity left in our outlook and actions."\textsuperscript{25} The functionalist prescription for resolving this paradox is to forsake the constitutional approach for the functional, to capitalise on welfare, on economic and social organisations to the detriment of politics. It will not be out of place to state without fear of contradiction that the exponents of functionalism as a theory of integration merely argued that in response to needs and the universalising effect of technology, functional co-operation can be stimulated in specific areas which will in time create a global network of such organisations transcending the traditional boundaries of the nation-states.

From the above, it is apparent that functionalism shares many Marxist characteristics. In the first instance, functionalism, like Marxism envisages the withering away of the state. Second, it looks at the influence of economics to produce a more rational order capable of satisfying the needs of a modern society, and third the effects of functionalism all envisaged as being global in outlook and nature. Since the functionalist emphasis is on welfare, there is a clear feeling that in opting for functionalism and avoiding or playing down politics, the exponents of this theory are opting for a most effective way of side-stepping conflict. What is more, the end product conceived by the functionalists is therefore a network of functional agencies stretching over the globe, sidetracking politics, eliminating war and rendering the nation-state superfluous.

Some evidence have been recorded that there is a tendency among the functionalists to be suspicious of regionalism. For instance, David Mitrany, a leading exponent of this school of thought, argued that if the new regional units aim at political unity, the more the chances that they will hinder global unity. He argued further that if they are to be closed and exclusive unions, the more fully and effectively they are integrated the deeper must in fact be the division they cause in the emergent unity of the world.\textsuperscript{26} Consequently, the new system prescribed by functionalism is not regional groupings like Africa or Europe but areas defined by their functions like aviation, marine, or malaria control, to mention but a few. The ultimate aim is to render the nation-states redundant in the face of the established competence of the functional organisations.

Thus, if the functionalist thoughts are accepted, the world must have overwhelmingly recognised the benefits of economies of scale. At the same time, the problem of environmental pollution and interdependence in the monetary field has demonstrated the growing incapacity of the nation-state to serve all the needs of the individuals in an adequate manner. Technological advances in the field of armaments have further reduced the viability of the nation-states, making co-operation not only desirable but also inevitable. The functionalist tradition has promoted the idea of the European Coal and Steel Community. Similar advances in electronics, communications and transport, support the idea of a shrinking world.

Violence, according to this school of thought, has its root in the social and economic circumstances of the people and if they are given moderate sufficiency of what they want and ought to have, they will keep the peace. In other words, functionalism accepts that want and grinding pauperism engender violence and conflict, while prosperity and sufficiency promotes peace. Thus, when the needs of the people are cared for through the efforts of a multi-national organisation, people will gradually be swayed from their loyalty to the nation-state to the supranational organisation. Super-ordinate cooperative goals will then be attained and world peace ensured. Ernest Haas in one of his works developed the concept of functionalism into greater points of refinement. The work was a study of the European Coal and Steel Community.\textsuperscript{27} This new functional position of Haas differs slightly from that of David Mitrany and this is what is referred to as neo-functionalism.

\textbf{Neo-Functionalism}

The theory of neo-functionalism is a revival of a new version of functionalism. The fundamental

\textsuperscript{25} Ibid.
\textsuperscript{26} Ibid.
principles of the two theories are the same. The main difference is that while functionalists lay more emphasis on global economic and social organisation, neo-functionalism emphasises regional rather than global integration. Historically, neo-functionalism can be said to have evolved from three different strands.

First, it emanated from a critique and an attempted reformulation of the functionalist theory. Second, the progress of the European Economic Community has served as a power house for the fashioning of this approach and the vagaries of the history of that community have been reflected in the twists and turns of the approach. Third, it is crucially linked with the tools of analysis developed from the so-called behavioural revolution, which has taken place within the fold of American political science in the past two decades. Rather than relying mainly on transactions or communication for measuring integration like the pluralists, neo-functionalists capitalise on bargaining styles, organisational growth or relapse, and the adaptability of elites in their specialised roles.28

Of recent, theorists have modified their definitions of regional integration following largely the experiences of the European Economic Community now European Union from which the theories are distilled in the main. In the early years of the European Economic Community, there was much optimism concerning the sort of body into which the community would eventually evolve into. At first, the enterprise seemed very successful and many European activists looked forward to the formation of a species of Federal Europe through functional means. The subsequent theories that came out reflected this trend. However, as the fortunes of the community became more chequered, both theorists and activists became obliged to adopt some moderation and this is largely reflected in the present undefined state of the concept of political integration in neo-functionalist writings.

Neo-functionalists readily admit to the fact that their assumptions and hypotheses are not always coherent. They do not also agree on a dependent variable on which to judge the success or otherwise of integration attempts or organisations. For example, Joseph Nye, in his study of comparative regional integration advanced an argument that, instead of having a single all inclusive image of the end product it might be desegregated into a transnational economy, a transnational society, and a network of political independent states. His reasons were both to sharpen terminology and to facilitate operationalisation.29 Nevertheless, Haas insisted that political integration, if it is the primary concern, is more important than economic and social trends. To him, these are important because we think they are causally connected with political integration.

The Kernel of neo-functionalism lies in the principle of automaticity. This simply means that economic union automatically leads to political unity because neo-functionalism was intended to be a universal theory of integration. The postulators of this theory also identified a number of variables, which could be applied with slight modification to various regions of the world. These variables when applied are meant to take care of local peculiarities associated with developed and under-developed regions of the world.30

These variables can be grouped into three. The first constitutes the background factors such as size, power, demographic strength of interacting states as well as the nature of interaction among them. The second set of variables are those existing at the moment of union such as the extent of powers delegated by the member states to the supranational organisation, while the third variable constitute the decision-making process of the member states after the organisation is formed, the rate of interaction among member states and the ability of the member states to cope with crisis. At this point, the concept of spill-over becomes handy to explain the fact that in relation to crisis management, member-states could, transfer their efforts from areas of crisis or difficulty to other areas of cooperation.31

It is worth mentioning that the neo-functionalist view of politics is very much in the abstract sense. Where other approaches identify concrete areas like foreign affairs, defence or the struggle for power as the essence of politics, the neo-functionalists regard everything as involving politics. This behavioural view of politics makes it possible for the neo-functionalists to project integration as a

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30 C. Chime, Integration and Politics among Africa States, 72 – 73.
31 Ibid.
process, which is capable of spilling over from virtually any area to another without much regard for pluralist views.

Conclusion

The discussion on the various theories of integration in this paper can be summarised as follows: The neo-functionalist view of politics makes them conceive integration from a point of view that is very different from most of the other theorists. The essence of neo-functionalism is the attempt to reconcile economics and politics, welfare and conflict among elites and interest groups. They argued therefore that politics in this sense represents the totality of the activities of the contemporary state. On the other hand, the functionalist sees integration as a question of economics and welfare; they therefore seek to eliminate the nation-state while the pluralists seek to preserve the nation-state in a system of diplomatic bargaining and accommodation.

By and large, it will not be wrong to argue that although the rationale for integration and the conditions necessary for integration efforts to succeed are basically the same thing in both the advanced economies, and the less developed countries. It is however difficult to accept the fact that the various theories of integration can also be applied to study and understand integration efforts by the less developed countries. Thus, applying these theories to the study of integration efforts by less developed countries can be classified as part of the politics of knowledge by Western social scientist because the theories attempt to foist on the developing countries capitalist values, institutions, and developmental models. In conclusion, it would not be wrong to state that the various theories aim at achieving a common goal i.e. peace.

REFERENCES


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CRIS (..), Educational Module on Regional Integration, 11 – 16.


