

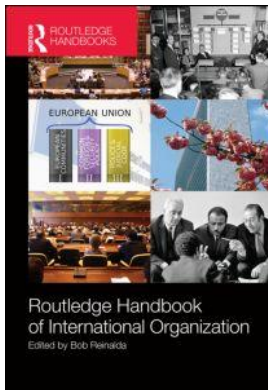
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### **The politics of inter-regionalism**

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# The politics of inter-regionalism

## Relations between international regional organizations

*Anna van der Vleuten and Andrea Ribeiro Hoffmann*

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As the development of relations between international regional organizations, inter-regionalism denotes a relatively recent phenomenon. Largely due to systemic bipolarity, inter-regional relations remained limited to ‘dialogue partnerships’ between the European Community (EC) and other regional groupings until the end of the Cold War. Academic interest in the topic is even more recent, and until 2001 the terminology of inter-regionalism was rarely used.<sup>1</sup> Scholars have, moreover, mainly focused on inter-regionalism involving the European Union (EU). While acknowledging the key role of the EU, we also include other, less studied inter-regional relations. Views differ as to what is covered by the term ‘inter-regionalism’. We distinguish between *regionalization*, which refers to the growth of socio-economic integration within a given region, and *regionalism*, which is the establishment of regional organizations resulting from the top-down political response of states to bottom-up processes of regionalization. Regional organizations are formal institutions, created by international treaties. Based on this distinction, inter-regionalism is the process and outcome of political and economic interactions between regional organizations. We distinguish between ‘pure’ inter-regionalism, involving two regional organizations, and ‘hybrid’ inter-regionalism, involving regional organizations and other regional actors as well. Our definition is not limited to ‘inter-hemispheric cooperation’. It also includes relations between regional organizations on the same continent. In fact, a continent is composed of different regions, the relations between which constitute an inter-regional layer of governance. Pioneer of inter-regionalism Heiner Hänggi also includes so-called ‘trans-regional’ relations between groups of states, such as the Asia Pacific Economic Cooperation (APEC), composed of 15 East Asian, two North American and two South American countries (Hänggi 2006). However, we agree with Julie Gilson that trans-regionalism and inter-regionalism are different phenomena.

Trans-regionalism is a structural attempt to combine a range of states within a coherent unified framework. Inter-regionalism, by contrast, explicitly sets one region in a dialogue (or potentially a conflict) with an “other” . . . The region as a political actor is central to inter-regionalism in a way that it is not in transregionalism.

*(Gilson 2002: 3)*

This brings us to the concept of region, which is crucial to our understanding of inter-regionalism. Regional organizations consist of states belonging to a 'region', a certain geographical area with borders which are not simply natural but also constructed and geopolitical, and which embodies a claim to a common identity, based on the shared history of this geographical entity and some combination of cultural, economic, linguistic and political ties (Van der Vleuten and Hoffmann 2007).

A last conceptual issue to be addressed is the actorness of regional organizations. Some consider all regional organizations other than the EU as lacking the capacity to act in a coherent way because of the absence of supranational institutions and procedures. In order to enable us to discuss their behaviour, we assume that regional organizations all have actorness, but to differing degrees, depending primarily on the supranational or intergovernmental character of regional institutions and the thickness of these institutions. These differences in actorness have to be taken into account by any theory which aims to explain the outcomes of inter-regionalism.

## Theories

Why do regional organizations engage in inter-regionalism? A dominant theoretical framework has not emerged yet, as there seem to be different theories which are well placed to deal with the question raised. We briefly present four main strands.

Realist theories point to the dynamics of rival regionalism and explain the decisions of regional organizations to engage in inter-regionalism by the need to balance third parties, the need to balance (inter-)regionalism in other regions or the desire for bandwagoning with another regional organization. These patterns of soft balancing are a product of the growing recognition that pure military power is ineffective in tangibly affecting policy outcomes in non-military issue areas, thus shifting policy making to institutional arenas (Rüland 2010). In an international system where economic power is increasingly important, the fear of being excluded from beneficial arrangements pushes regional organizations to establish or intensify inter-regional cooperation in a way similar to that in which states balance military power by concluding alliances.

Liberal institutionalist approaches stress the impact of the parallel processes of globalization and regionalization on the need for states to regain political control over a situation of complex interdependence. They have framed the rise of inter-regionalism as a synthesis of market-driven globalism and politically driven regionalism (Aggarwal and Fogarty 2004). In this view, inter-regional institution building is considered a strategy to increase trust and reduce uncertainty about the behaviour of others. Inter-regionalism may also contribute to regional institution building ('regionalism through inter-regionalism'), and it may strengthen the positions of regional organizations involved in negotiations in the World Trade Organization (WTO) or at the global level in general. Linked to these approaches is the pluralist interest group hypothesis, which expects inter-regionalism to be the outcome of political bargaining processes between regionally organized domestic business interests pushing for market-opening policies and their protectionist opponents. Strong support by interest groups would then be correlated with the rise of inter-regional regimes, and the decline of this support would be correlated with their stagnation.

Constructivist approaches focus on processes of collective identity formation through inter-regional interactions. Inter-regionalism helps in building the identity of a group of states as a regional actor. Gilson (2005) shows how inter-regional interactions between an amorphous Asian 'self' and a pre-defined European 'other' have shaped the concept of an East Asian region, without, however, leading to the institutionalization of the region. In her

explanation of EU–Latin American relations, Jean Grugel (2004: 621) argues that ‘new regionalism appears to constitute a relatively safe space within which Europe can display identity and norm difference from the US’ (United States). One volume even investigates the “makability” of regions’ as a result of EU support for regionalism (De Lombaerde and Schulz 2009). In fact, the EU assists other regional organizations in capacity building as part of an active exporting of the European model of regional integration. This constitutes the EU as an external federator and supports its claim of being a normative power, which consequently contributes to the EU’s own identity building. Given the specific territorial and ideational character of regional organizations, inter-regional relations will reflect and reproduce these characteristics. They will be friendlier between regional organizations with an inclusive identity and less friendly between regional organizations that have conflicting identities, such as the former colonizer and the formerly colonized.

A critical international political economy approach considers inter-regionalism as a ‘problem-solving institution’ intended to resolve some of the tensions inherent in regional and global capitalism by smoothing contradictions between national and inter-regional capitalist interests. Paul Cammack (1999), for instance, argues that state leaders in the EU and ASEAN (Association of Southeast Asian Nations) exploit the Asia–Europe Meeting (ASEM) to reinforce the power of capital over labour. Inter-regionalism may also open up possibilities for the generation of transnational strategic counter-hegemonic projects, because they allow different emancipatory movements to join forces in their common resistance to capital (Briceño Ruiz 2010). Elements of these four perspectives return in our discussion of the emergence and development of inter-regionalism in different world regions.

### Inter-regionalism and the European Union

Already during the Cold War, the EC developed so-called ‘dialogue partnerships’ with other regional groupings, creating a hub-and-spokes system gravitating around the EC. The EU has used inter-regionalism to promote regionalism, manage interdependence and secure market access, to balance US influence, to promote the interests of transnational capital, and to enhance its legitimacy and establish itself as a global actor. Promoting inter-regional relations not only enhances the EU’s legitimacy but also ‘promotes the legitimacy and status of other regions. This, in turn, promotes further crosscutting regionalism and inter-regionalism around the world’ (Söderbaum and Van Langenhove 2005: 251). Inter-regional relations involving the EU are mostly based on framework cooperation agreements, which include three pillars: political dialogue, development cooperation and trade liberalization. Table 32.1 shows the relations between the EU and other regional organizations, as well as the year in which formal cooperation started.<sup>2</sup>

Table 32.1 Inter-regional cooperation between the EU and other regional organizations

<i>EU–Africa</i>	<i>EU–Americas</i>	<i>EU–Asia</i>
EU–ECOWAS (2000)	EU–CAN (1996)	EU–ASEAN (1972)
EU–GCC (1988)	EU–CARICOM (1975)/	EU–SAARC (1994)
EU–IGAD (2003)	CARIFORUM (1992)	
EU–OAU/AU (2000)	EU–MERCOSUR (1992)	
EU–SADC (1994)	EU–CACM/SICA (1993)	

## EU–Africa

Regional integration is a key word in EU–African relations at both the continental level and the level of the regional economic communities. The EU promotes it as an instrument to tackle poverty and instability.

### *Continental: EU–African Union (AU)*

In 2000 the EU–Africa dialogue was launched with the historic EU–Africa Summit in Cairo. It has intensified after the creation of the New Partnership for Africa’s Development (NEPAD) in 2001 and the AU in 2002. It features a series of meetings between officials, ministers and diplomats. The dialogue is focused on the main issues of AU policy making: peace and security, good governance and regional integration and trade. In 2007, relations were reframed from the ‘EU Strategy for Africa’ to a ‘Joint Africa–EU Strategy’, reflecting the intention to establish a genuine partnership of equals. The joint response to global challenges, rather than African concerns, would now be the chief focus. The main engines of the strategy are not the member-states, but the European Commission and the AU Commission. In yearly College-to-College (C2C) meetings, they discuss their institutional relations and the implementation of the eight thematic partnerships, including ‘Trade, Regional Integration and Infrastructure’, ‘Energy’ and ‘Climate Change’, and the concomitant Action Plans. Each partnership has a European and an African implementation team. The Joint Africa–EU Strategy suffers, however, from a lack of funding and a lack of awareness among key stakeholders, which raises serious doubts regarding its capacities to deliver.

### *EU–Gulf Cooperation Council (GCC)*

The GCC was created in 1981. In 1988 the GCC and the EU signed a framework agreement, which contained a commitment from both sides to enter into negotiations on a Free Trade Agreement (FTA). The negotiations were initiated in 1990, but by 1995 they had slowed to a halt because the EU had lost interest. The negotiations resumed after the EU exhibited renewed interest in talks with the Gulf region in 2003. This was mainly due to geopolitical reasons in the wake of 9/11 and the US invasion in Iraq and constituted ‘a move to demonstrate solidarity with moderate Arab forces’ against Islamic fundamentalism (Rüland 2010: 1275). The GCC’s decision to create a customs union (which entered into force in January 2003) also motivated the EU’s change of attitude, although not for commercial reasons, as trade with the GCC accounts for less than 3 per cent of total EU imports and less than 5 per cent of total EU exports. In addition, petroleum imports, which account for three-quarters of EU imports, are not included in the FTA negotiations (Antkiewicz and Momani 2009). Further strengthening EU–GCC relations is considered a contribution to regional security and stability, rather than an economic imperative.

### *EU–African regional groupings*

Hybrid inter-regionalism between the EU and Africa began with the first Lomé Convention in 1975, when the EC negotiated with the former colonies of its member-states, the African Caribbean and Pacific Group of States (ACP). However, cooperation has deepened to pure inter-regionalism under the Cotonou Agreement, signed in 2000. ‘Cotonou’ mentions regional integration as an instrument for poverty reduction. Regional integration and

development are explicitly linked, and economic and political regional integration is financially supported by means of the European Development Fund (EDF). Under Cotonou, inter-regional partnerships are being developed in the negotiations for Economic Partnership Agreements (EPAs) between the EU and Central Africa, Eastern Africa, Southern Africa and West Africa, with the aim to make EU–African trade policy WTO-consistent.

Paradoxically, the EU not only promotes regional integration through inter-regionalism, it also undermines it by negotiating different agreements with groups of states belonging to the same region. The first full-fledged EPA, for instance, applies to only four out of 15 SADC (Southern African Development Community) member-states. These separate agreements undermine the credibility of EU commitment to regional integration. It must be admitted that there are over 30 regional trade agreements (RTAs) in Africa, and that African countries average four RTA memberships each (Lynch 2010), which complicates coherence on both sides. The EU approach, however, exacerbates the fragmentation.

An EPA covers trade and regional integration. Further aspects of the relations between the EU and the regional groupings are covered by multiannual Regional Strategy Papers/Regional Indicative Programmes (RSP/RIPs), which detail ‘political dialogues’ on region-specific issues. The RIP for Eastern Africa, for instance, covers EU relations with COMESA (Common Market for Eastern and Southern Africa), the EAC (East African Community) and IGAD (Intergovernmental Authority on Development). It addresses cooperation on issues such as piracy, drought, desertification and famine. The RIP for West Africa supports ECOWAS (Economic Community of West African States) in electoral assistance and migration policies. A special case can be made for the cooperation between the EU and SADC, which is both more intensive and more controversial than that with other regional organizations in Africa. In 1994, SADC made a new start when post-apartheid South Africa joined the grouping, which was previously dominated by the Frontline States. In the very same year, the EU and SADC issued a joint declaration (the Berlin Initiative) announcing the development of a comprehensive dialogue covering many domains, including the offer from the EU to share its experience in the field of regional integration with SADC. The region-specific issues are the fight against HIV/AIDS and the political situation in the Democratic Republic of the Congo and Zimbabwe. The main chunk of EU funding is intended for regional economic integration and the promotion of export-led economic growth in order to reduce poverty. The remainder is earmarked for the reinforcement of the SADC Secretariat. The earlier involvement of some EU member-states as colonial powers in the region has made SADC a wary partner, which criticizes EU sanctions against the Zimbabwean president Robert Mugabe as neocolonialism. The EU has also been accused of policy incoherence since it concluded a bilateral FTA with South Africa, which undermines regional cohesion.

In sum, EU–African inter-regionalism is characterized by processes of ‘regionalism through inter-regionalism’ through which the EU uses its predominance to promote a single model of economic liberalization across the African continent and secure for itself market access. The EU promotes (inter-)regionalism as an instrument to tackle poverty, but its African counterparts accuse it of policy incoherence and ‘soft imperialism’ because of its patronizing attitude and the perceived abuse of its superior economic strength.

## EU–Americas

In all relationships with other regions, the EU is the stronger side, but this does not apply in the case of North America. The US is its major rival on the global scene. As a result, the EU

has developed bilateral rather than inter-regional relationships with North America. In contrast, inter-regional cooperation has been developed with Latin American and Caribbean regional organizations.

### *EU–MERCOSUR*

MERCOSUR was created in 1991 as Common Market of the South and was seen as a receptive group to which the EU could export its model of integration. Despite remaining an intergovernmental organization, MERCOSUR's structure is largely inspired by the EU. EU–MERCOSUR relations were institutionalized in 1992 by the Inter-institutional Cooperation Agreement, and further deepened by the Interregional Framework Cooperation Agreement (EMIFCA) from 1995. The agreement is built on three pillars: political dialogue, development cooperation and trade liberalization. Political dialogue has taken place via meetings at different political levels. Development cooperation has been put into practice by means of a Memorandum of Understanding (signed in 2001), and a number of projects have been implemented so far. Trade liberalization has been the most controversial part of the agreement. A free trade agreement has been under negotiation since 1999. The negotiations have suffered many interruptions and came to a complete halt in 2006. They resumed in 2011, but there are no concrete prospects of winding up because no agreement has been reached yet on the topics of services, public procurement and agriculture. From the beginning, MERCOSUR perceived cooperation with the EU as a strategy to balance US hegemony in South America, and as an opportunity to improve cooperation with their most important economic partner and major source of foreign direct investment (Doctor 2007). However, since Brazil and the EU concluded a Special Partnership in 2007, EU–MERCOSUR relations are under pressure. Although the EU claims that inter-regionalism and strategic partnerships with regional powers are complementary, the record so far has shown that this is not self-evident.

### *EU–Andean Community (CAN)*

The Andean Pact was created in 1969 and renamed the Andean Community in 1997 in the context of the new wave of regionalism in the 1990s. EU–CAN relations were established first at the level of a political dialogue with the Declaration of Rome in 1996. In 2003 a framework agreement was signed which included development cooperation and liberalization of trade, but the latter was suspended in 2008 due to disagreements regarding biodiversity, among other things. Meanwhile, EU–CAN inter-regional relations have deteriorated, chiefly due to the internal problems of CAN. With the withdrawal of Venezuela in 2006 and the creation of broader encompassing organizations such as the Bolivarian Alliance for the Peoples of Our America (ALBA), the Union of South American Nations (UNASUR) and the Community of Latin American and Caribbean States (CELAC), CAN has lost its coherence and *raison d'être*. The slow development of integration in the region has also been contributed to by the EU's loss of interest in promoting its model in the region. Furthermore, since the suspension of the framework agreement in 2008, the EU has concluded bilateral trade agreements with CAN member-states Peru (2010) and Colombia (2010). Similar negotiations were started with Ecuador, but were suspended in 2009. Given that trade relations constitute a major component of inter-regional relations, it is fair to say that bilateralism has replaced inter-regionalism in EU–CAN relations.

### *EU–CARICOM/CARIFORUM*

Regional integration in the Caribbean was started in 1965 with the creation of CARIFTA, the Caribbean Free Trade Association. Integration was deepened and widened in 1973, when the Commonwealth Caribbean island states established the Caribbean Community (CARICOM). Regional integration is embraced by the small and vulnerable island states as their only defence in a globalized economy. Formal but hybrid inter-regional relations started with the signing of the Lomé Convention in 1975 by the EC and the Caribbean members of the ACP Group of States. The CARICOM Secretariat coordinated and monitored the regional projects financed by the European Development Fund. However, three states joined the Lomé Convention without being members of CARICOM at the time: Suriname joined in 1979, Haiti and the Dominican Republic in 1990. The need to institutionalize a new forum for consultation on (inter-)regional cooperation emerged. For that reason, CARIFORUM was created in 1992 with the task of managing and coordinating the policy dialogue between the Caribbean Region and the EU, and promoting regional integration. The institutions of CARICOM and CARIFORUM show considerable overlap, and the secretary-general of CARICOM also assumes the role of secretary-general of CARIFORUM. In 2008, the CARIFORUM–EU EPA was signed as the first EPA between the EU and a regional grouping. As in previous agreements, it encompasses trade and aid, but the main difference is the introduction of the principle of reciprocal grant of preferences, which is consistent with WTO principles. Unfortunately, WTO rulings have had detrimental consequences for Caribbean banana producers, despite EU defence of their interests. The EDF continues to financially support the deepening of regional integration in the Caribbean region.

### *EU–CACM/SICA*

Central American countries participate in many regional groupings, the most important being the Central American Common Market (CACM) and the Central American Integration System (SICA). Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua created the CACM in 1960. Relations between the EU and the CACM are built on the political cooperation during the Cold War, institutionalized by the San José Dialogue in 1984, and renewed in Florence in 1996 and in Madrid in 2002. The Central American countries welcomed the EU's inter-regional approach mainly as a way to balance US hegemony in the region, to seek market access, and to canalize development aid. However, inter-state and civil wars paralyzed the CACM until the 1990s. In 1993, the CACM, Panama and Belize created the SICA as a political body with the task of consolidating democracy in the region and coordinating economic and political integration. A Framework Cooperation Agreement was signed in the same year between the EU, CACM and Panama, which was renewed and deepened by the Political Dialogue and Cooperation Agreement in 2003 (it has not entered into force yet). Its central themes are the strengthening of democracy and respect for human rights, environmental conservation and biodiversity, and integrated trade cooperation aimed at the progressive integration of Central American countries into the world economy. Similar to its Africa policies, the European Commission negotiates multiannual RSP/RIPs with Central America in parallel to trade agreements. Until 2010, strengthening the institutions of the SICA was one of three focal sectors of the RSP/RIP. Since 2011, support is focused on regional development and transborder crime. In 2004, the Dominican Republic, the CACM countries and the US concluded a Free Trade Agreement which has weakened the SICA and inter-regional relations with the EU.



In sum, the development of EU–American inter-regionalism was motivated by the desire on both sides to balance US influence. It is increasingly characterized by a double track: on the one hand, the promotion of regional integration and institutionalization following the EU neoliberal model which includes good governance; and on the other hand, the undermining of pure inter-regionalism by bilateral trade agreements. In addition, trans-regional forums such as the EU–CELAC and EU–UNASUR have developed, involving large groups of countries.

## EU–Asia

Inter- and trans-regional relations between the EU and Asia have grown in significance since the 1990s, but pure inter-regionalism remains limited to EU relations with ASEAN and SAARC (South Asian Association for Regional Cooperation). In 1994 the European Commission launched the New Asia Strategy, which was to be more comprehensive, reflecting the awareness of Asia's increasing economic and political weight in the post-Cold War world. It resulted in the first Asia–Europe Meeting in 1996, with the aim of balancing the APEC as a platform for American influence in Asia. In spite of its progressive institutionalization, ASEM is first and foremost a case of trans-regionalism 'as an umbrella structure within which state-to-state and bilateral interregional structures [between EU–ASEAN] are nested' (Doidge 2011: 143).

### *EU–Association of Southeast Asian Nations (ASEAN)*

In 1972, the first informal relations were established between the EU and ASEAN, prompted by economic and security motives. The impending 1973 accession of the United Kingdom to the EC raised fears of trade and investment diversion and the loss of trade preferences. In addition, the United Kingdom had withdrawn its troops east of Suez and the US had weakened its security guarantees, moving ASEAN to look for new alliances. In September 1978 the first ASEAN–EEC Ministerial Meeting (AEMM) took place. In 1980 the EC–ASEAN Cooperation Agreement was signed, aiming at commercial, economic and technical cooperation. A Joint Cooperation Committee was established as a mechanism to monitor cooperation. In the 1990s, cooperation broadened to include political and security matters. In parallel with the meetings of ministers and officials, ASEAN–EU private cooperation through business networking and joint ventures is promoted as well, bringing together small and medium enterprises from both regions. With an initial focus on agriculture, industry and trade, the scope of cooperation has widened to include issues such as poverty alleviation, health and family planning, and women's rights. The 16th AEMM resulted in the adoption of the Nuremberg Declaration and Action Plan, seeking closer cooperation on economic, development and security issues, including piracy and terrorism, and negotiations for a Free Trade Agreement were launched. The launching of the formal EC–ASEAN relationship in 1978 is often considered as the origin or archetype of pure inter-regionalism. Nevertheless, over the decades, cooperation has not deepened beyond a proliferation of non-binding dialogue processes. This can be explained by diverging interests within both organizations, neither of which have a mechanism to overcome internal disagreements on foreign and security issues, by disagreements between the EU and ASEAN on Myanmar's membership and human rights issues, and by the thinly institutionalized character of ASEAN. Under the ASEAN Programme for Regional Integration Support, the European Commission, keen on seeing its supranational institutional model copied, has given financial and technical support

to the ASEAN Secretariat. Doidge (2011: 174) terms it 'capacity-building interregionalism' as it might contribute to the creation of deeper inter-regional cooperation.

### *EU–South Asian Association for Regional Cooperation (SAARC)*

The SAARC is an economic and political regional organization set up in 1985 with the objective of building mutual trust and confidence into a conflict-ridden region. In 1995 economic objectives were incorporated into the agenda with the launching of the South Asian Preferential Trading Arrangement (SAPTA), upgraded to a Free Trade Area (SAFTA) in 2005. SAPTA was also the start for inter-regional cooperation, when the European Commission and the SAARC Secretariat signed a Memorandum of Understanding on Cooperation in 1996. It avoided sensitive political issues and focused on technical assistance in trade matters. In 1999, the EU and SAARC agreed to cooperate on improving market access for SAARC products. The development of concrete cooperation has been slow, reflecting the lack of progress within SAARC, which is plagued by conflicts, encounters policy divergence on all major issues, suffers large income differences and features India as a reluctant hegemon. The general consensus is that SAARC, as opposed to ASEAN, has not succeeded in integrating the region economically or politically. The EU continues to invest in inter-regional cooperation with SAARC because of the trade and investment opportunities in the region. In 2007, the European Commission obtained observer status, which offers opportunities to enhance EU technical assistance and promote business networking.

In sum, EU–Asian inter-regionalism is characterized by the aims of obtaining market access (for both regions) and avoiding marginalization (for Asia). Its institutionalization remains weak due to the reluctance of Asian states to pool sovereignty, but also because of the development of more encompassing trans-regional structures such as ASEM.

### **South–South inter-regionalism on the same continent**

In the wake of the Cold War and spurred by the fear of marginalization in a globalized world dominated by 'the West', inter-regional cooperation has also developed in the 'global South', in spite of the thin institutionalization of regional integration and the limited resources available.

#### *Africa*

African inter-regionalism has mainly developed under the aegis of the African Union (see Table 32.2). The AU aims at establishing an African Economic Community by 2028. This overall objective was already envisaged in the Lagos Plan of Action (1980) and agreed upon in the Abuja Treaty of 1991, because economic integration was considered necessary to promote an endogenous and self-sustained economic development. The ideal of collective self-reliance has given way to the aim of eradicating poverty. The AU aims at coordinating and harmonizing the policies of African regional organizations because in spite of the serious capacity constraints which plague regional and inter-regional cooperation in Africa, a plethora of cooperation arrangements has developed with many overlapping memberships. These multiple memberships create duplication and sometimes competition in activities, while placing additional burdens on already over-stretched staff to attend all the various summits and other meetings. As these overlaps impede progress on economic integration, the 2006 AU Summit in Banjul called for a moratorium on the recognition of regional organizations, with the exception of eight

Table 32.2 Inter-regionalism on the same continent

<i>Continent</i>	<i>Regional Organizations Involved in Inter-regional Cooperation</i>
Africa	AU–CEN–SAD (2007) AU–COMESA (2007) AU–ECCAS (2007) AU–ECOWAS (2007) AU–IGAD (2007) AU–League of Arab States (2007) AU–AMU (2007) AU–SADC (2007) COMESA EAC SADC Tripartite (2008)
Americas	MERCOSUR–CAN (1993–2008)
Asia and Oceania	ASEAN–ANZCERTA Free Trade Area (AANZFTA) (1996) ASEAN–SCO (2005)

organizations: Arab Maghreb Union (AMU), Common Market for Eastern and Southern Africa (COMESA), Community of Sahel-Saharan States (CEN-SAD), East African Community (EAC), Economic Community of Central African States (ECCAS), Economic Community of West African States (ECOWAS), Intergovernmental Authority on Development (IGAD) and Southern African Development Community (SADC). The AU Summit in Accra (2007) adopted a protocol which regulates the relations between the AU and these regional organizations, including the recommendation to rationalize these regional organizations, meaning the elimination of double memberships, and to strengthen them so as to lead to the creation of an African Common Market. This top-down process of inter-regionalism also covers political integration and cooperation in the field of peace and security.

Spurred by the Banjul Summit, three regional organizations decided to move towards broader and deeper integration. The COMESA EAC SADC Tripartite (the Tripartite) started in 2008 with a joint summit. In 2011 the heads of state and government of the 26 member-states of the three organizations launched negotiations for the establishment of the grand Tripartite Free Trade Area as a first step towards an integrated market. Their cooperation is motivated by the hope that a wider market will bolster intra-regional trade, infrastructure development and investment flows. It might also strengthen their position in the EPA negotiations with the EU. As regards infrastructure, the Tripartite has also started collaboration with IGAD and the international donor community (including the private sector) on a series of projects to improve the key transport corridors and reduce the costs of cross-border trade in Eastern and Southern Africa.

### *Americas*

MERCOSUR–CAN relations are the only case of pure American inter-regionalism. Despite the increase of inter-regional trade, attempts to formalize relations between CARICOM–CAN and CARICOM–CACM have failed. The Free Trade of the Americas project (FTAA), proposed by the US in 1994, would have subsumed all regional organizations under a hemispheric free trade area, but negotiations were suspended in 2005 and the project is considered dead. The MERCOSUR–CAN rapprochement dates from 1993, when former Brazilian President Itamar Franco proposed the creation of a South American Free Trade Area. His successor, Fernando Henrique Cardoso continued the process and upgraded the project into

the South American Community of Nations (SACN) in 2000. The SACN was finally created in 2004. Its main pillar was trade convergence between MERCOSUR and CAN, leading to a pattern of inter-regional relations between the two organizations. SACN was renamed Union of South American Nations (UNASUR) in 2008 under the influence of Venezuelan President Hugo Chavez, and changed its main characteristics, increasing the importance of political and social issues on the agenda to define post-neoliberal integration objectives (Briceño Ruiz 2010). With the creation of UNASUR, the only process which could be defined as American inter-regionalism evolved into regionalism.

### *Asia*

ASEAN is the key player in Asian inter-regionalism. In the 1990s, it started to invest in inter-regional Asian relations, motivated by the fear of marginalization, the need to diversify ties and the desire to obtain standing in the global arena. Its activities have resulted in links with the Australia New Zealand Closer Economic Relations Agreement (ANZCERTA, also referred to as CER) and the Shanghai Cooperation Organisation (SCO).

In the 1990s, negotiations started between ASEAN and ANZCERTA. These aimed to increase economic integration and were prompted by a shared economic interest in securing access to export markets and increase competitiveness. In 1996 a Memorandum of Understanding on cooperation was signed. In the post-bipolar era, ASEAN wanted a higher level of cooperation. In 2004 it asked to reopen negotiations with the aim of establishing an FTA with ANZCERTA, in order to reap more benefits from economic integration and balance China and India, the rising powers on the Asian continent. An FTA also served Australia's (and to a lesser extent, New Zealand's) strategic interests in Southeast Asia. The ASEAN-ANZCERTA FTA (AANFTA) entered into force in 2010.

ASEAN has also sought cooperation with its northern neighbours, the member-states of the SCO. ASEAN and SCO concluded a Memorandum of Understanding in 2005. It refers to cooperation in the domains of energy, tourism and the environment, but the priorities lie with cooperation in the field of terrorism and transnational crime. ASEAN-SCO relations have a non-binding and low-profile character, exemplified by the fact that the Memorandum has been concluded between the secretariats of the organizations and has been signed by their secretaries-general, without an explicit commitment on behalf of the member-states. They hold yearly consultations, mainly on terrorism, drugs, arms and human trafficking.

The extension of pure inter-regionalism in Asia is limited by the political and strategic rivalries between China and Japan, which impede the creation of an East Asian Community. In order to establish a counterweight to the regional fortresses emerging in Europe and North America, the ASEAN+3 (APT) framework was established in 1997. It 'formally' links ASEAN to the key Northeast Asian economies – China, Japan and the Republic of Korea – but it is a case of trans-regionalism in the absence of institutionalized East Asian regional integration. Asian inter-regionalism is motivated by the fear of marginalization and the need to balance American and Chinese power. It is constrained by the reluctance to institutionalize relations and the unwillingness of regional great powers to invest in cooperation.

### **South-South cross-continental interregionalism**

Hindered by low levels of inter-regional trade and investment, South-South inter-regionalism is in several cases no more than the recognition of the potential benefits of further cooperation agreements. Table 32.3 summarizes South-South inter-regional cooperation.

Table 32.3 Inter-Regional cooperation by regional organizations from different continents

<i>Continents</i>	<i>Inter-Regional Cooperation</i>
Africa–Asia	ASEAN–GCC (1990) ASEAN–SADC (1996) IOR-ARC (1997)
Americas–Africa	MERCOSUR–GCC (2005) MERCOSUR–SACU (2004)
Americas–Asia	CAN–ASEAN (1997) MERCOSUR–ASEAN (1996)

### *Africa–Asia*

Pure African–Asian inter-regionalism is found in the relations between ASEAN and the Gulf Cooperation Council and between ASEAN and SADC, but it has remained very limited despite the fact that the regions have been bound together in an informal economic community for many centuries and share a history of colonialism. Cooperation between ASEAN and the GCC started in 1990, when the foreign minister of Oman in his capacity as chairman of the Council of Ministers of the GCC expressed the desire to establish formal relations with ASEAN. In 2009, activities by the secretariats and the secretaries-general finally resulted in the first ASEAN–GCC Ministerial Meeting in Bahrain. A Memorandum of Understanding was signed between the Secretariats. Cooperation seems to have eventually taken off since the first meeting, with proposals on exchange of information on counter-terrorism, plans for closer collaboration on trade and investment, and yearly meetings at ministerial level.

Since 1996, two years after South Africa entered SADC, consultations with ASEAN on inter-regional trade and industry have taken place on a regular basis at the level of ministers of trade and industry. The meetings are prepared by and take place in the presence of the secretaries-general of ASEAN and SADC. As financial and human resources are limited, the meetings are usually held on the margins of larger international meetings.

There are several larger, trans-regional initiatives, which include regional organizations from both regions as well as individual states, such as the New Asian–African Strategic Partnership (NAASP) and the Indian Ocean Rim Association for Regional Cooperation (IOR-ARC). Even though the IOR-ARC has ‘regional cooperation’ in its name and includes four regional organizations (ASEAN, GCC, SAARC and SADC), it is not a case of pure inter-regionalism, but rather a forum for cooperation among the coastal states of the Indian Ocean with a tripartite structure involving officials, academics and business people.

### *Americas–Africa*

Relations between American and African regional organizations have not evolved much beyond the signing of bi-regional agreements. MERCOSUR and the GCC signed a framework agreement in 2005 which never entered into force, and while free trade negotiations began, they stalled after the second round in January 2007. In 2004 and 2009, MERCOSUR and the Southern African Customs Union (SACU) signed partial trade agreements, but they did not enter into force either. Free trade negotiations started and appear more promising, but there have so far been no announcements of concrete dates for the finalization and signing of an agreement. The concluded agreements suggest a logic of diplomatic recognition, rather than the pursuit of substantive inter-regional relations.

### *Americas–Asia*

ASEAN has pushed for the establishment of inter-regional relations with Central and South America in a deliberate effort to diversify its network beyond Europe and North America. ASEAN and MERCOSUR started meeting informally in 1996, but it was not until 2008 that they convened their first Ministerial Meeting in Brasilia. On that occasion they expressed the desire to enhance linkages between the two organizations and agreed to convene a second meeting. In addition, a Senior Officials' Meeting would be established to coordinate a Roadmap and Action Plan. The second meeting, scheduled to take place in Thailand in 2010, was later moved to the Philippines and subsequently postponed. It has yet to take place. Meanwhile, the broader Forum for East Asia–Latin America Cooperation (FEALAC) has developed as a trans-regional vehicle for balancing US influence and EU economic power.

A dialogue between ASEAN and the Andean Community started in 1997, aiming to increase inter-regional trade, investments and tourism. In 2000 the first Symposium on ASEAN–Andean Cooperation took place, where they reaffirmed these interests, but so far the organizations have not concluded any formal inter-regional agreement.

### **Conclusion: the politics of inter-regionalism**

According to David Camroux, concern with inter-regionalism is still a largely European enterprise. Camroux (2010: 58fn) adds that there are 'no studies of relations say between SAARC and ASEAN, or NAFTA and ASEAN that use the terminology of interregionalism'. He concludes that even the EU only preaches inter-regionalism, but practises bi- and multi-lateralism. Has this chapter proven him right? Can we say that inter-regionalism is more about rhetoric than practice? If so, why do regional organizations sign inter-regional agreements?

On the question of the centrality of the EU in inter-regionalism, the stocktaking exercise in this chapter shows that inter-regionalism has also developed between and within other world regions. Not only is the EU not involved in those cases, this type of inter-regionalism is often intended to balance EU influence and strengthen the asymmetrical bargaining position of 'Southern' regional organizations. However, the effective exercise of inter-regional power is in these cases hampered by the weak actorness of one or both organizations in terms of the lack of institutionalization (the absence of a strong and well-staffed secretariat) and the impossibility of speaking with one voice. The former often results from resource constraints, the latter from the reluctance to pool or delegate sovereignty. Accordingly, inter-regional relations and agreements suffer from a gap between rhetoric and practice that puts into question the relevance of inter-regionalism. Furthermore, the EU not only acts as the motor behind inter-regionalism, it is also a disruptive force when it prefers bilateral agreements with key players rather than inter-regional agreements.

On the question of why regional organizations sign agreements in spite of these financial and political obstacles, we agree with Jürgen Rüländ (2010) that soft balancing has been a major driving force in all cases, both involving the EU as well as South–South inter-regionalism. In distinction from Rüländ, however, our analysis suggests that managing interdependence figures higher than the creation and consolidation of a regional identity. The 'makability' of regions through the promotion of a set of norms connected to (inter-)regionalism seems to be primarily an EU concern. The central importance of economic concerns in a globalized world economy and the role of inter-regionalism as an instrument for the diffusion of the neoliberal script confirm the critical international political economy perspective.

In conclusion, the proliferation of inter-regional agreements in the last decades does not (yet) imply 'a shift from a world order based on nation-states towards one based on regions and interregional relations' (Söderbaum and Van Langenhove 2005: 252). Instead, it is another strategy for nation-states to better defend their geopolitical and economic interests and provide a forum for the exchange of information in an insecure and interdependent world.

### *Recommended for further reading*

Söderbaum and Van Langenhove (2005), Hänggi et al. (2006), Telò (2007) and Doidge (2011).

### Notes

- 1 Searching Google Scholar for the key word 'inter-regionalism' shows a mere 60 hits between 1993 and 2001, but 195 hits in 2001 alone and a yearly average of 88 hits between 2001 and 2012.
- 2 We will not discuss Euro-Med, EU-LAC and EU-CELAC (formerly EU-Rio Group), because these are cases of trans-regionalism rather than inter-regionalism. Also, we have left out instances of inter-regionalism which were mentioned in secondary literature but of which we found no further evidence.

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