

Oscillations: Short-term domestic policy considerations and regional integration in Southeast Asia and Southern Africa

Paper presented at the International Studies Association (ISA) Global South Caucus (GSCIS) Conference
2015, Singapore
January 8th-10th: Singapore, Singapore

By Christopher C. Nshimbi*

Abstract: Do short-term domestic considerations make member states neglect long-term goals for regional integration? The question is addressed by examining the evolution of regionalism in Southeast Asia and eastern and southern Africa. The IPE theory, realism, provides the core lens for viewing the evolution. A comprehensive outlook incorporating other IPE, historical, and sociocultural approaches is concurrently adopted and the examination conducted at international, state, and grassroots levels. Colonialism, independence, policy reforms, crises and grassroots cross-border interactions affect regionalism. A notable phenomenon is also revealed: if integration represented the opposite of fragmentation, then the evolutionary behavior of, respectively, Asian and African regionalism is comparable to an oscillating pendulum. Members are sometimes keen on regionalism but withdraw at other times. Regional states should turn from claiming state sovereignty against regional goals. Regionalism would also flourish if regional leaders focused less on consolidating domestic power. Authorities should encourage grassroots cross-border activities to promote bottom-up integration.

Keywords: regionalism, regional integration, regionalization, regional fragmentation, non-state actors, ASEAN, COMESA/SADC

* DST-NRF RCA Research Fellow, Center for the Study of Governance Innovation (GovInn), Department of Political Sciences, University of Pretoria
Draft. Do not cite without author's consent.
Email for correspondence: csnzed@gmail.com; christopher.nshimbi@up.ac.za

Introduction

Most Southeast Asian and eastern and southern African countries reformed their economies in the late 1980s and early 1990s and, therefore, renewed connections with one another and the world. These areas have recommitted to regionalism and seek effective global competitiveness. Escalating poverty revived regionalism in Africa's multiple regional economic communities (RECs) such as the Common Market for Eastern and Southern Africa (COMESA), East African Community (EAC) and the Southern African Development Community (SADC). Continentally, the Organisation of African Unity (OAU) transformed into the African Union (AU) and launched the New Partnership for Economic Development (NEPAD)—'Africa's Marshall Plan'—in 2001. In Southeast Asia, a new regionalism followed the 1997-1998 Asian financial crisis and realization among regional leaders that no state could singlehandedly deal with a regional crisis. Further, states realized that outside help, even from international financial institutions such as the International Monetary Fund (IMF), might be slow to come during crises, as happened in the months immediately after the financial crisis started. This paper asks whether short-term domestic considerations by members affect regional integration. It argues that Southeast Asian and eastern and southern African states' preoccupation with seemingly urgent domestic issues shapes the evolution of regional integration. Consequently, the short-term domestic considerations of respective member states affect the long-term evolution of regional integration.

To meet the study objective, the history of regionalism in Southeast Asia (hereafter Asia) and eastern and southern Africa (hereafter Africa) is traced. Factors that affect the establishment of effective regional regimes are consequently highlighted. The assessment reveals a notable phenomenon: if integration represented the opposite of fragmentation, then the evolutionary behavior of regionalism is comparable to an oscillating pendulum. Asian and African states are sometimes keen to integrate but withdraw at other times. The pendulum oscillates between integration and fragmentation.

The widely applied IPE theory, realism, provides the core lens for viewing the oscillatory evolution of Asian and African regionalism. However, a comprehensive outlook incorporating other IPE, historical, and sociocultural narratives is concurrently adopted and the examination conducted at three levels: international, state and grassroots. This approach differs from the usual focus on regionalism as state-led projects, which leads to a 'regionalism–regionalization' dichotomy that is biased towards state regionalism (Schulz et al., 2001: 5-12). That dichotomy downplays the significance of non-state actors in regional processes. Instead, the outlook adopted here appreciates the empirical results of regional processes and the dynamic ways "the urge to merge" might evolve. This is because states are as active in regional processes as the various non-state actors, markets, etc. Equally, the paper attempts a broader picture and study of regionalism by including Asia and Africa. The Eurocentric nature of most theorizations on regionalism as well as the attempt to highlight similarities and differences between Asian and African regionalisms motivates this approach. Moreover, the revived Asian and African regionalisms are broader complex processes that simultaneously involve state and non-state actors and result from local, national, regional and global forces (Hettne and Söderbaum, 2000). Therefore, the analysis also highlights the consequences of state policies on regionalism and grassroots actors on one hand and the role of the grassroots in regional integration on the other hand.

Following this introduction the literature on regionalism, regional integration and regionalization, and theories of regionalism are briefly reviewed. The third section investigates factors prompting oscillations between regional integration and fragmentation in Asia and Africa and provides examples of domestic influences on regionalism from Malaysia and Zambia, and region-wide factors. The fourth section proposes a two-level (state—non-state actor) model to explain the actors' effect on regional integration before concluding.

Conceptualizing regionalism, regional integration and regionalization

"[S]o many different definitions," uses and analytical applications of the terms 'region', 'regionalism', 'regionalization' and 'regional integration' exist (Sbragia, 2008: 34). However, this paper presents *regionalism* as the ideal in favor of establishing regional alliances between geographically proximate states. Many conceptualize regionalism as state-led projects of cooperation between governments designed to reorganize regional geo-economic spaces to conform to economic and political goals (Gamble and Payne, 1996; Schulz et al., 2001). Wyatt-Walter prefixes regionalism with "economic", defining it as the "*conscious policy of states*" for coordinating a greater region's activities (1995: 77).¹

Regionalization is, accordingly, the "*outcome*" of conscious state-designed policies. By establishing rules of the game for firms in a region, regional states notably propel regionalization by fostering market liberalization, trade, and investment flows, etc. Regionalization is also a *de facto* process, involving interactions between a region's non-state actors. Though unsupervised, the interactions promote regional interdependence, making regionalization a historical social process involving patterns of social interaction between non-state actors (Gamble and Payne, 1996). Regionalization is, therefore, a complex setup of institutions and rules that define the patterns of social interaction between non-state actors across borders. *Region* is a contested notion (see, e.g., Fioramonti, 2014). However, regionalism and regionalization presuppose geographical proximity of integrating states or parts thereof. Security concerns at borders, political, socioeconomic and cultural factors also encourage integration.

Integration itself is a political process fostered by economic processes and geography or the search for closer economic interdependence. It relates to the formation of distinct parts into a partial or complete whole (Schulz et al., 2001) and constitutes static and dynamic processes in which the parts experience increasing political, socioeconomic and cultural interaction and interdependences. As a term referring to interstate economic relationships, integration is absent from the literature prior to Viner's *Customs unions issue* (Jovanovic, 1998).

Regional economic integration is synonymous with economic globalization insofar as both denote increased mobility of goods, services, capital, technology and labor across national borders (Nshimbi, 2005). However, the former presupposes integration of the economies of a territorial subsystem and not the entire world. Neo-liberalists commonly use this interpretation, sometimes calling it *market* or *trade integration*. Consequently, markets or the actions of corporate/economic actors drive regionalization (Nesadurai, 2002). A variant of market integration peculiar to Southeast Asia is termed soft regionalism.

In concert with the 'Asian Way' and the 'ASEAN way'², *soft regionalism* is a loose, cautious, voluntary and gradual process of integration that advocates trade tariff reductions without discrimination against non-members of a REC. This approach holds the Association of Southeast Asian Nations (ASEAN) to have non inward-looking investment strategies (Forbes, 1997) and distinguishes it from 'fortress Europe.' However, by keeping members detached, soft regionalism emphasizes sovereignty, with limited obligations as happens in Europe.

Though conceptually discrete, regionalism, regional integration and regionalization are hereafter used

¹ Italics in original

²The "Asian Way" is purported to be East Asia's approach to regionalism where caution and consensus precede binding rules and regulations in integration. In reality Acharya (1997), for instance, argues that this is the "ASEAN way", a shield Southeast Asian countries employ to protect their economies from "unfair" competition from Western-propagated multilateralism. Strong government hold on the economy and social conservatism, contrary to Western liberal practices, define economic management in most of Southeast Asia. Then-Malaysian Prime Minister Mahathir strongly advocated this kind of regionalism. US support for the Asia Pacific Economic Community (APEC) and fears that the US would use APEC to supplant ASEAN's leadership in the East Asian policy arena provoked Mahathir's stance (Palmer, 1999). Mahathir's conception of an East Asia Economic Group, therefore, excluded Anglo-Saxon Australasia, the US and even the Indian subcontinent.

interchangeably. Cognizance is taken that regionalism is broader than the market connotations in regional integration, as the former includes non-economic [inter-] state activities (Lee, 2003: 8). Further, regionalization is broader than regionalism. The activities of non-state actors demonstrate that states and non-state actors are both actively involved in regional initiatives. Lee thus describes regionalization as a “process by which states and non-state actors seek to enhance their economic, political, cultural, social and security interactions with societal forces within a region through formal or informal structures” (2003: 8). Section four will suggest a ‘geographical logic’ defined by historical cross-border linkages among grassroots actors established without state facilitation or knowledge in Asia and Africa, respectively. Therefore, except where expressly stated, the concepts will refer to *a process characterized by increasing dynamic movements involving capital, labor, goods and services and other spheres of life including politics, culture, security, etc. across the state borders of the proximate states of a geographical area*. Where states are actively involved, regionalization is considered *formal* while the *informal* alludes to the activities of non-state actors. Before highlighting the oscillations between integration and fragmentation in the evolution of Asian and African regionalism, a consideration of theories of regionalism vis-à-vis developing countries is in order.

Regionalism and developing countries

Most theorization on regionalism follows its development in Europe. Early significant attempts such as neo-/functionalism, focused on the European Coal and Steel Community (ECSC) and the European Economic Community (EEC) (Laursen, 2004). Integration theory attempts to explain the “changes in functional scope and institutional capacity of regional integration efforts” (*ibid*: 6). Members delegate decision-making on major policies to new regional centers. Accordingly, political actors shift activities and expectations to the new regional centers (Lindberg, 1963; Laursen, 2004).

In search of peace, functionalists proposed a pragmatic cross-border strategy to unite Europe through common needs. For example, they would create international organizations to address refugee settlement needs. Neo-functionalists extended this pragmatic approach to propose integration in low politics or socioeconomic sectors such as agriculture, coal and steel. This would pressure related sectors between states to integrate and establish the momentum upon which the states would deepen integration, institutionalize further and, consequently, establish political integration as a long-term peace establishing mechanism (Rosamond, 2000). Therefore, European integration evolved gradually, liberalizing factor markets and attaining higher levels of political, institutional and social harmonization. The original logic of the European project was its self-reinforcing nature, characterized by expansion from one sector to another and the emergence of supranational authorities that eventually overshadowed pre-existing national particularisms (Haas, 1958). The term *spillover* described this progression in integration from one sector to another.

For neo-/liberalists, the ‘discipline of the market’ coordinated monetary and fiscal policies between participants in European integration (Balassa, 1961). Trade openness and economic growth determined international economic integration. Therefore, the economic basis of European integration was also emphasized, just as members could use integration to enforce domestic reforms. A stable international political order was also necessary. Advocates propped European integration as a pragmatic solution to the incessant Franco-German wars, the threat of Communism spreading from then-Eastern Block and to re-establish Europe as a global power. Politics and economics were interdependent and essential to integration. Further, liberalists argued based on Immanuel Kant that democratic states were unlikely to war each other because democratization, the rule of law and international cooperation held off war.

In contrast, realists regarded the international system as anarchic, comprising self-interested, rational, unitary states. Survival, security and national interests defined interstate engagement. Respective state

policies, therefore, reflect attempts to maximize own benefits and minimize risks, making military might essential because it enhances national security. However, such actions make some states less secure and, consequently, render the international system insecure. Inevitably all states cooperate to preserve respective national security and resolve the security dilemma their actions create.

This paper confirms and illustrates critics' argument that states comprise more complicated and dynamic internal needs than the unitary state actors depicted by realism. For instance, grassroots non-state actors are linked as groups or communities (domestically and across borders) that seek own interests when engaging governments over decisions that affect the non-state actors. Consequently, domestic policy outcomes may reflect multi-actor interactions and resulting compromises, and not the sole rationalizations of political leaders. These dynamics are discussed next as they occur in Asia and Africa.

Oscillations: integration and fragmentation in Asia and Africa

What prompts countries to seek integration? Regionalism could enable them pool resources, enhance capacities and, consequently, compete effectively in the global economy. From the European example regionalism can also foster peace.

However, what worked for Europe has apparently failed for Asia and Africa. The literature is replete with accounts of the dismal performance of African regionalism (see, e.g., Mistry, 2000) and the ineffectual 'talking shop' or 'imitation community' regionalism in Southeast Asia (see, e.g., Jones and Smith, 2002). Commonly cited factors for the failure include lack of political will or commitment to regional goals, conflict, multiple membership in overlapping RECs and multiple free trade agreements. However, has Asian and African regionalism failed? What exactly explains the failure? Why has regionalism apparently failed?

Four explanatory factors are advanced. Historically, colonialism, independence, policy reforms, and natural crises influenced the evolution of regionalism in Asia and Africa—sometimes encouraging and sometimes derailing integration. Close examination shows that ASEAN and COMESA or SADC states, respectively, obsess with seemingly pressing domestic challenges. The preoccupation arises from state authorities' realist desires for self-preservation and consolidation of power, which affects the long-term evolution of regionalism.

Colonial Occupation

The establishment of the foundations of modern Asian and African states and their integration, regionally and with the global political economy, reflect colonialism's significant influence on territories in the regions. States started modernizing during the colonial era. For example, the East India Company (EIC) in Asia and the British South African Company (BSA Co.) in Africa established the basic institutions and state structures in the respective territories. Likewise, Japan built modern infrastructure in Southeast Asia during military exploits there (Cumings, 1984). Japanese investments and consequential development of East Asian states even formed a flying geese pattern.³ Japanese economic links with Asia constituted regional production networks (RPN) responsible for strong, extensive economic interdependence. Recently, RPN and accompanying regional hierarchical division of labor integrated Asia before the 1997-1998 financial crisis.

³ The flying geese model explains the developmental behavior of East Asia based on investment flows from Japan. It initially described Japan's pre-war strategy and model of development and was later revived, after the war, in relation to regional production networks (RPNs). RPNs in East Asia date back to the 1960s (Peng, 2000). The regional division of labor resulting from these networks is, however, traceable to Japan's colonialism as the text discusses. Akamatsu (1962) first employed the flying geese model in 1932 to depict the industrialization of the Japanese empire, which characteristically evolved through three stages in the process forming an inverse "V" shape similar to the pattern formed by flying wild geese. The stages included importation of new products, import substitution and exports.

They linked Asia in the absence of formal regionalism (Peng, 2000) and remain key drivers of the region's economic growth. Similarly, ethnic Chinese entrepreneurial networks crisscross Asia and enhance interdependence, accounting for a significant proportion of the region's economic miracle (Chung, 2005). Further, colonialists in Asia consciously forged economic, political and cultural ties between the colonies (Coclanis and Doshi, 2000).

In contrast, colonizers in Africa designed institutions to optimize resource extraction to imperial economies. Consequently, Africa was integrated into the global economy as a raw material provider. However, colonialists attempted to amalgamate African colonies too. For example, the Federation of Rhodesia and Nyasaland unified (now) Zambia, Zimbabwe and Malawi.

Colonialism also inadvertently promoted nationalism in colonies, leading to campaigns for self-determination that stirred liberation struggles. In Africa, independent countries supported liberation struggles in those still colonized, resulting in regional alliances for continental independence. The OAU, established in 1963, categorically aimed to eradicate all forms of colonialism in Africa. Regionally, liberation movements such as the Front Line States Movement (FLS) morphed into present-day regional organizations: first into the Southern African Development Coordination Committee (SADCC) and eventually SADC.

Therefore, while establishing the foundations of modern Asian and African states, colonialism facilitated regional and their integration with the global political economy by the time they attained independence.

Independence and development policies

After independence, nationalist economic policies, interstate distrust and mutual suspicions, competing multi-ethnic domestic interests, and desires to consolidate state power, etc. prompted regional fragmentation in Asia and Africa. The new leaders nationalized respective economies and adopted inward-looking policies. They controlled economies, protected state-owned enterprises, and practiced import substitutions. The policies promised industrialization and self-reliance, and would abolish systems designed to extract resources to imperial countries (Thompson, 1948). Preoccupation with such policies, besides protection of state sovereignty, consolidation of power, and attempts to appease domestic interests encouraged regional fragmentation. In Africa, the OAU even emphasized independent members' sovereignty and committed to non-interference in their internal affairs (OAU Charter, 1963: Articles II and III).

However, unlike Africa, it was multiple ethnicities that encouraged regional fragmentation in Asia. Newly independent state leaders had to balance diverse ethnic interests and, consequently, looked inward. The catastrophic failure to handle such diversities in Malaysia, for example, reflects the attention they required. "Malaysian trickle-down economics favoring Chinese economic interests were inadequate to satisfy Malay resentments and violent Malay-initiated riots occurred in Kuala Lumpur in 1969 in which hundreds of Chinese and Malays lost their lives" (Palmer, 1999).

The ASEAN Way compounded inward-looking state behavior because it assiduously promoted non-interference and consensual decision-making (Curley and Thomas, 2004). However, some states use the consensus principle to conveniently prevent regional interference in domestic affairs, especially considering ethnic conflicts and poor human rights records.

Where they were trans-boundary, ethnicities also nurtured distrust and mutual suspicion between host states. The epitome of ethnicity's fragmenting effects in this respect arose when the Federation of Malaysia expelled Singapore in 1965 because of ethnic Malay—Chinese tensions (Khong, 1997).

Further, internal threats drove independent states to consolidate power at regionalism's expense. Communist gorillas, for instance, posed serious threats (*ibid*, 1997). Thus Vietnamese Communists exploited longstanding domestic rural-urban and north-south tensions to fight French colonial rule, alarming

independent states (Palmer, 2002). Besides repeated communist rebellions, Indonesia also experienced religious violence (e.g., Islamic uprising between 1948 and 1963). Therefore, ideological differences also explain the focus on nation building. The formation of ASEAN amidst regional rivalries and mutual suspicions (MacIntyre, 1996) was significant. This, especially considering previous failed attempts to integrate including the US-led Southeast Asian Treaty Organization (SEATO) (1954-1977), the Association of Southeast Asia (ASA) (1961-1967) and Maphilindo (1963, though never officially formed). These efforts generally attempted to prevent Communism spreading in Asia. SEATO failed because of perceived external actor—US—involvement while ASA and Maphilindo failed to overcome the “sovereign self-interest of Malaya, Philippines, and Indonesia” (Khong, 1997: 324). Thus nationalism, mutual distrust between independent states, etc. encouraged regional fragmentation in Asia and Africa.

Reform in a globalizing world

Economic reforms in Asia and Africa towards the year 2000 helped renew links with one other and the global economy. The highlighted nationalist and inward-looking policies eventually hurt countries that pursued them, resulting in inefficient national economies, unprofitable state-owned enterprises, social unrest and pressure to reform. Changes in the global political economy towards the year 2000 also compelled regional states to reorient approaches to development. For example, interstate tensions and mutual suspicions especially in Asia reduced when the Cold War ended. Most Asian economies joined the fastest growing in the world after reforming and developing exports as growth strategies. Except for strategic ones, state enterprises were hived off or privatized.

African economies also attempted reforms from the late 1980s. Unlike Asian, however, reforms in Africa were misapplied in two respects. First, Africans pursued the inward looking, import substitution and protectionist policies longer. Second, reform was not equitably executed across regions. Some economies liberalized unilaterally, others partially and yet others maintained restrictions. Moreover, African economies implemented reform prescriptions that disregarded local/internal conditions. Consequently, whole economic sectors collapsed in some countries (Mwencha et al., 2000). Nevertheless, African states like the Asian are resolutely regionalizing. Moreover, the reforms established general milieu conducive for regional economic integration. Similarly, crises occasionally serendipitously and inadvertently establish conditions that foster regionalism, as discussed next.

Disease epidemics

Epidemics evidently have a coalescing effect on regional states, as some outbreaks transcend state boundaries and a state’s ability to contain singlehandedly. Granted, ASEAN initially delayed in collectively responding to the Severe Acute Respiratory Syndrome (SARS) outbreak in 2003. Later, ASEAN failed to garner collective support from members for proposed policies to contain the outbreak (Curley and Thomas, 2004). At the peak of the outbreak, however, ASEAN states (and China, Japan and Korea—collectively called +3—with assistance from international NGOs such as the World Health Organisation, WHO) devised pragmatic measures to contain SARS and initiatives for future responses to similar hazards, such as the avian influenza. The practical measures rose from immediate regional responses such as the Special ASEAN Leaders’ Meeting on SARS, whose Joint Declaration established a Joint Ministerial Task Force to monitor the implementation of countermeasures; called for research and training on containing SARS; information exchange through proposed ASEAN SARS Containment Information Network; etc. (ASEAN Secretariat, 2003).

In Africa too the human immunodeficiency virus and acquired immune deficiency syndrome (HIV and AIDS), tuberculosis (TB) and malaria, among others, exceed a state’s ability to manage singlehandedly. Thus SADC

and COMESA members collaborate. SADC, for example, crafted regional measures to contain HIV and AIDS including, among others, the Maseru Declaration on Combating HIV and AIDS; the SADC HIV and AIDS Strategic Framework; and HIV and AIDS Research Agenda. SADC Secretariat also established the HIV and AIDS Unit to oversee implementation of the HIV and AIDS Business Plan 2005-2009. Members also pledged policy harmonization on HIV and AIDS prevention.

Like ASEAN's response to SARS, however, SADC initially responded slowly to the AIDS pandemic. Individual state efforts, supported by the WHO Global Program on AIDS, preceded regional responses. International and local NGOs collaborated with national governments and SADC towards first, the global vision of zero new HIV infections, discrimination and AIDS-related deaths; second, commitments to eliminate HIV and AIDS made in the UN Political Declaration on HIV and AIDS; and third, meeting the 2015 deadline for the UN Millennium Development Goals (MDG) and, specifically, MDG 6 targeting HIV and AIDS, malaria, etc. (UNAIDS, 2013).

Apparently, integrated, multi-sector approaches and collaboration among regional states and NGOs provide more effective solutions than efforts of individual states, in tackling transnational crises. Said differently, transnational crises in Asia and Africa stimulate cooperation. Further, the crises challenge traditional realist views of national security as the primary preoccupation of states. The crises threaten the very citizens for whom protection of national security claims are made. Regional cooperation against crises through policy harmonization, for instance, suggests members surrender control over national health and related policies, which according to realists would be reserved for respective states.

FTAs and tariff reductions

FTAs highlight state behavior in fostering integration or fragmentation, based on responses to tariff-reduction schedules. For example, ASEAN's 1993 Common Effective Preferential Tariff (CEPT) envisaged an ASEAN FTA (AFTA) among founding members by 2008.⁴ Later, ASEAN revised the 2008 AFTA targets to accelerate its establishment. The revision envisioned realizing AFTA within 10 years instead of the initial 15 (ASEAN Secretariat, 2005). Members dramatically reduced tariffs, spurred by the 1997/1998 financial crisis (ASEAN Secretariat, 2014). By 2003 all ASEAN-6 had achieved the 0-5 percent average CEPT initially targeted for 2008.

In Africa, COMESA's 1984 liberalization program and 1992 tariff-reduction schedule envisaged a preferential trade area (PTA) by 2000. By 1993, participating states had achieved 60 percent reductions. That year COMESA introduced a new schedule to accelerate liberalization and expand intra-regional trade (Chanthunya, 2001). The COMESA FTA launched in 2000 with 9 of its 20 members participating. By 2014, participation rose to 15.⁵ SADC too implemented an 8-year tariff reduction program in 2001 for the SADC FTA. By 2008, members established minimum conditions for the FTA, except for Malawi, Tanzania and Zimbabwe (USAID Southern Africa Trade Hub, 2011).

Emphasis on exports as a growth strategy explains ASEAN members' commitment to vigorous intra-regional tariff reductions, open regionalism, and greater economic interdependence. The COMESA/SADC experience differs slightly. The cases of Malawi falling behind SADC's tariff reduction schedule, Tanzania reinstating tariffs on select products and Zimbabwe's exemption until 2012 (*ibid*, 2011) contrasts the respective special

⁴ Referred to as ASEAN-6, the founding members included Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand. ASEAN now comprises 10 member states. All participate in AFTA. The four newer members (Cambodia, which joined in 1999, Laos and Myanmar in 1997 and Vietnam in 1995) had to sign the AFTA Agreement and implemented the AFTA tariff reduction schedule under respective special dispensations.

⁵ The COMESA FTA currently includes Burundi, Comoros, Djibouti, Egypt, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Zambia, and Zimbabwe.

tariff reduction dispensations Cambodia, Laos, Myanmar and Vietnam implemented after signing the AFTA Agreement (see footnote 4). Domestic challenges regarding industrial competitiveness, protection of local industry and government fears of losing tariff revenue, etc. explains the difficulties in honoring tariff reduction obligations in Africa. Uganda, for example, hesitated joining the COMESA FTA for 12 years, saying FTA would hurt its young industrial sector and economy (Barigaba, 2012). Tanzania withdrew from COMESA in 2000, then-president *Benjamin Mkapa* citing pressure to meet COMESA's intra-regional zero-tariffs target (*Corporate Africa*, 2006). However, the Tanzania Private Sector Foundation (TPSF) argued that exporters and the economy had lost export revenue to Kenya and Uganda (which remained in COMESA) since Tanzania's withdrawal (Joseph and Bondia, 2006). In SADC, Angola postponed joining the SADC FTA citing lack of infrastructure (*People's Daily Online*, 2006).

Peculiar domestic and regional factors

Besides the common, peculiar factors to each region prompt integration or fragmentation. Accordingly, local Asian and African stakeholders pressure respective governments into decisions that impact regionalism. Take the cases of Zambia and Malaysia before considering region-wide factors.

In late 2005 the Zambian *kwacha* appreciated 60 percent from K4, 800.00 per US\$1 to K3, 000.00. Reactions to the appreciation reflect its mixed effects. NGOs and donors argued it hurt their projects, which depended on external funding. Horticultural exporters experienced the 'Dutch disease'⁶ (von Alan, 2006). Some local farmers hailed the development for enabling them import agricultural inputs cheaply. Despite concerns from negatively affected quarters, Zambia's central bank governor argued that the appreciation had generally benefited Zambia, as this broadly maintained low prices on imported oil (*ibid*, 2006).

In Asia, the peak of the 1997/1998 financial crisis saw regional governments discouraging imports. Malaysia, for example, introduced new tariffs (e.g., on capital goods) and revised older ones (e.g., on luxury goods) upwards to also raise government revenue (Bridges, 1999). Such measures, which effectively backtrack regionalism, aroused mixed reactions from, among others, importers, exporters, manufactures and consumers of luxury goods.

The highlighted mixed sentiments in Zambia and Malaysia reflect the domestic interests with which respective regional states contend. Some groups influence state policies in their favor and, consequently, decisions affecting regionalism. The lack of political will frequently cited for stalling regionalism in developing countries (Mistry, 2000) partly owes to domestic pressure. The cited examples of Tanzania and Uganda, etc. illustrate the point further. Domestic factors interface with regional to promote integration or fragmentation, as the region-wide factors discussed next show.

Regional factors

Regionally, two differences exist between Asia and Africa regarding integration and fragmentation. Firstly, Southeast Asia should be examined in the context of wider East Asia, not just the ASEAN region. For example, though located northeast, Japan's significance in Southeast Asia's economic integration was highlighted. Also, East Asia was historically an organic, autonomous, loosely integrated tributary system centered on China (Hamashita, 1997). The system's political and socioeconomic dynamics rested on implicit personal understandings and obligation between rulers, not formal treaties (Alagappa, 1998). The loose, informal, consensual regionalism defining Asia's soft regionalism comes a long way.

⁶The Dutch disease is based on the negative effects manufacturing industries in the Netherlands suffered in the 1970s following the discovery of natural gas, which was then followed by an appreciation of the Netherland's real currency. A boom in exports of primary goods or commodities for whatever reason could produce similar results anywhere.

Secondly, factors prompting oscillations in Asia seem static than dynamic. Asian regionalization is complex, involving the interplay of idiosyncratic respective states' interests. Consequently, regional states have historically engaged each other loosely and cautiously. Hitherto, however, ASEAN represents the most successful integration project, having instrumentally attempted to integrate the entire East Asia, through the ASEAN+3 initiative.⁷

Southeast Asia

Still, rivalries historically characterize East Asia, which lacks a regional consciousness that facilitates cooperation (Buszynski, 1999). To date the region experiences interstate rivalries, which induce nationalism and threaten prospects for a formal regional order. Equally, the Chinese networks crisscrossing Asia threaten interstate relations and domestic security, potentially fragmenting Asia.

However, according to Hamashita's assertion that Chinese and Confucian influence permeate Asia (1997), could Asia build a regional identity that would facilitate integration? This is plausible, if Chinese and Confucian influence are that widespread. It is questionable, however. An institutionalized collective regional identity has been slow to emerge in Asia (Hemmer and Katzenstein, 2002), which differs from Europe, whose common culture fostered integration in this regard (Haas, 1961). Clearly, culture and civilizational traits do not enhance regionalism in Asia.

Rather, markets and non-state actor interactions precede formal regionalism in Asia. Despite the cited challenges, political relations are also apparently outgrowing the tensions and mistrust of the immediate post World War II, and post independence and Cold War Asia. For example, Indonesia, Malaysia and Singapore now cooperate in developing their contiguous border areas through the Indonesia-Malaysia-Singapore growth triangle (IMS-GT). Further, regional states now embrace differently ideologically orientated neighbors (e.g., Myanmar).

Africa

In Africa, multiple regional schemes stall regionalism. Despite overlapping objectives, the schemes rest on different foundations such as culture or colonial heritage. Integration and fragmentation in African regionalism highlight first, the different way in which colonialism affected Africa than Asia. Colonialism united Africans and enhanced integration, as SADC's evolution shows in the proceeding.

Ideology and nationalism also influenced the evolution of African regionalism. This influence is evident in Kenya, Uganda and Tanzania's repeated attempts to establish the East African Community (EAC) from 1948.⁸ The abortive attempts in 1948-1961, 1962-1967, and 1967-1977, all preceded the present one revived in 1997 (Nshimbi and Fioramonti, 2013). The attempt ending in 1977 was the first after all members had attained independence. However, conditions for a formal customs union between Kenya and Uganda (Tanzania joined a decade later) existed since 1917 (Mkenda, 2001). The East African High Commission (EAHC) comprising Kenya, Tanzania and Uganda launched in 1948 and transformed into EAC in 1967. The three countries jointly ran tax, education, and agricultural services enacted by a Central Legislative Assembly (CLA). They enjoyed fiscal integration, a monetary union based on the East African Currency Board (EACB) and a common currency established in 1919. A Secretariat in Nairobi made policies regarding these services.

The EAC officially dissolved in 1983 because of firstly, political independence, which altered the mode of

⁷ With the only exception of North Korea, of course

⁸EAC members now include Burundi, Kenya, Rwanda, Tanzania and Uganda. All except Tanzania are also COMESA members.

cooperation among members.⁹ Although the East African common market had continued unaltered until the treaty formalizing EAC in 1967, the EAHC became the East African Common Services Organization (EASCO) after all members became independent. The East African Council under EASCO oversaw the common market, finance, economics and planning, social affairs and services and communication.

Secondly, since colonial times, Kenya's relatively privileged position compared with Uganda and Tanzania meant it benefited the most from integration.¹⁰ Kenya was a British colony. Tanzania and Uganda were British Trust Territory and British Protectorate. Kenya also hosted Britain's East African operations. Consequently, more trade and investment diverted towards Kenya.

This disadvantage Tanzania and Uganda faced induced thirdly, nationalism. Nationalism among Africans had strengthened during colonialism when the demand for self-rule united them and fueled Pan-Africanism. However, newly independent states cherished their independence. The new leaders zealously wanted control of economic management too. Therefore, with independence and despite the EAC Treaty, members established separate central banks and independent currencies. Their respective national currencies also continued as legal tender in the other two, although each thought monetary union restricted domestic policy.

Fourthly, national policy, demonstrated by Tanzania nationalizing its economy in 1967. Exchange controls followed. Kenya and Uganda retaliated, suspending redemption and free circulation of Tanzanian currency in their respective economies. Uganda also nationalized three years after Tanzania leading to a ban on imports and export of Ugandan currency. Kenya and Tanzania retaliated.

Fifthly, closely linked to the nationalist policies were EAC state ideologies. *Julius Nyerere* of Tanzania, for example, pursued *Ujamaa*, a form of (African) socialism that influenced the nationalization of Tanzania's economy. In Uganda, the Common man's Charter influenced economic policy from independence until Idi Amini's military coup in 1971. Kenya's outlook on the other hand was capitalist. These ideological differences affected intra-EAC and bilateral relations between respective EAC states and third countries. EAC's demise was inevitable.

Sixthly, Tanzania (and Uganda— independence until 1971) also supported the liberation movement in African territories still under colonial rule. This extra-EAC collaboration pioneered the FLS, SADCC's forerunner and predecessor of SADC. The remnants of the *Mulungushi Club*, initiated by *Nyerere* and then-Zambian president, *Kenneth Kaunda*, formed FLS (Cilliers, 1999). *Kaunda*, like *Nyerere* embraced a type of (African) socialism called Humanism.

The *Mulungushi Club's* evolution (through bilateral relations) into the FLS and SADCC can be summed up thus: in 1958 Anglophone African colonies formed the Pan-African Freedom Movement of East and Central Africa (PAFMECA) to liberate Africa. Azania (now South Africa) and the newly independent non-Anglophone African states joined PAFMECA in 1962, after it had reconstituted into the Pan African Movement for East, Central and Southern Africa (PAFMECSA) (Binaisa, 1977; Cilliers, 1999). The OAU's Liberation Committee later assumed PAFMECSA's responsibilities and after PAFMECSA disbanded, Tanzania and Zambia initiated conferences that led to the *Mulungushi Club* and, eventually, FLS. Eastern and southern Africa at the time

⁹Uganda became independent October 9, 1962 and Kenya, December 12, 1963. Tanzania became a United Republic after Tanganyika (independence, 1961) and Zanzibar (independence, 1963) merged in 1964.

¹⁰ Viner's (1950) classic analysis of customs unions distinguished between trade creation and trade diversion effects of such a union. Trade diversion occurs when a member of a customs union switches from consuming lower cost goods imported from outside the union to higher cost goods produced within (that attract lower tariffs after integration). This is generally welfare reducing because government revenue declines after imports from within the union (with lower tariffs) replace imports from outside (attracting higher tariffs). Though consumers in a member state experience lower prices, part of the price they pay subsidizes producers in other member states instead of accruing to their government, which could have domestically reallocated such revenue.

thought the OAU too broad and formal to meet regional needs. Tanzania's involvement in such activities conflicted especially capitalist oriented Kenyan interests.

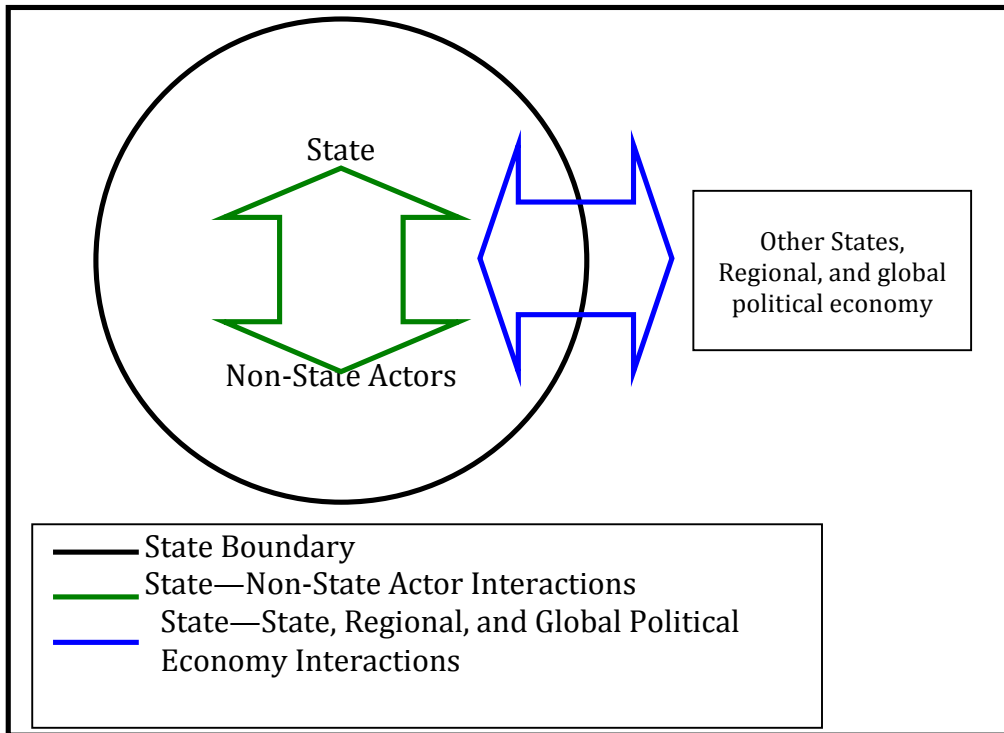
Modeling oscillations in Asian and African regionalism

The discussion has thus far demonstrated how factors such as colonialism, national policies, reforms and crises affect regionalism in Asia and Africa. State responses, particularly the closer attention to domestic challenges, impacted the evolutionary behavior of integration. Regionalism was not pursued for its own sake but facilitated particular goals at specific junctures.

Conversely, cross-border movements at grassroots remained consistent in both continents. The movements signify longstanding continuities, being traceable to pre-colonial times. Common languages, ethnic ties, trade networks, labor migration, etc. manifest these continuities. Sometimes they defied legal restrictions (e.g. border controls) imposed by states. For example, historical connections including marriages and labor migration among ethnic groups in the Kelabit Highlands bordering Malaysia and Indonesia characterized the area before, during and after the countries fought the Confrontation (or *Konfrantasi*) war, which formalized the border between the two states (Amster and Lindquist, 2005). In southern Africa, continuities based on ethnic ties, regional labor migration, liberation struggles, etc. defied state-imposed restrictions even at the height of the struggle against apartheid (Nshimbi and Fioramonti, 2014). Despite defying state-imposed restrictions at times and their informality, the continuities at grassroots augmented state-led regionalism.

The foregoing scenario produces a two-level model of the evolution of regionalism pitting states and the grassroots and, accordingly, state and non-state actors as Figure 1 illustrates. Rulers seek to consolidate state power and assert sovereignty. At the grassroots a 'geographical logic' suggests actors should collaborate, considering historical, economic, cultural and ethnic interactions, and the regions' geographies. From an evolutionary perspective, the dynamic interactions of actors between the two levels show oscillations between integration and fragmentation. Nationalism, claims over sovereignty, consolidation of state power, etc. initiate fragmentation through inward-looking policies, border controls or closures, etc. At the other end, regional states periodically collaborate and collectively run regional projects or respond to region-wide crises, promote free trade, etc., swinging the pendulum towards integration. Again, the geographical logic facilitates integration as grassroots non-state actors in contiguous borders continuously interact.

Figure 1 State – non-state actor interactions

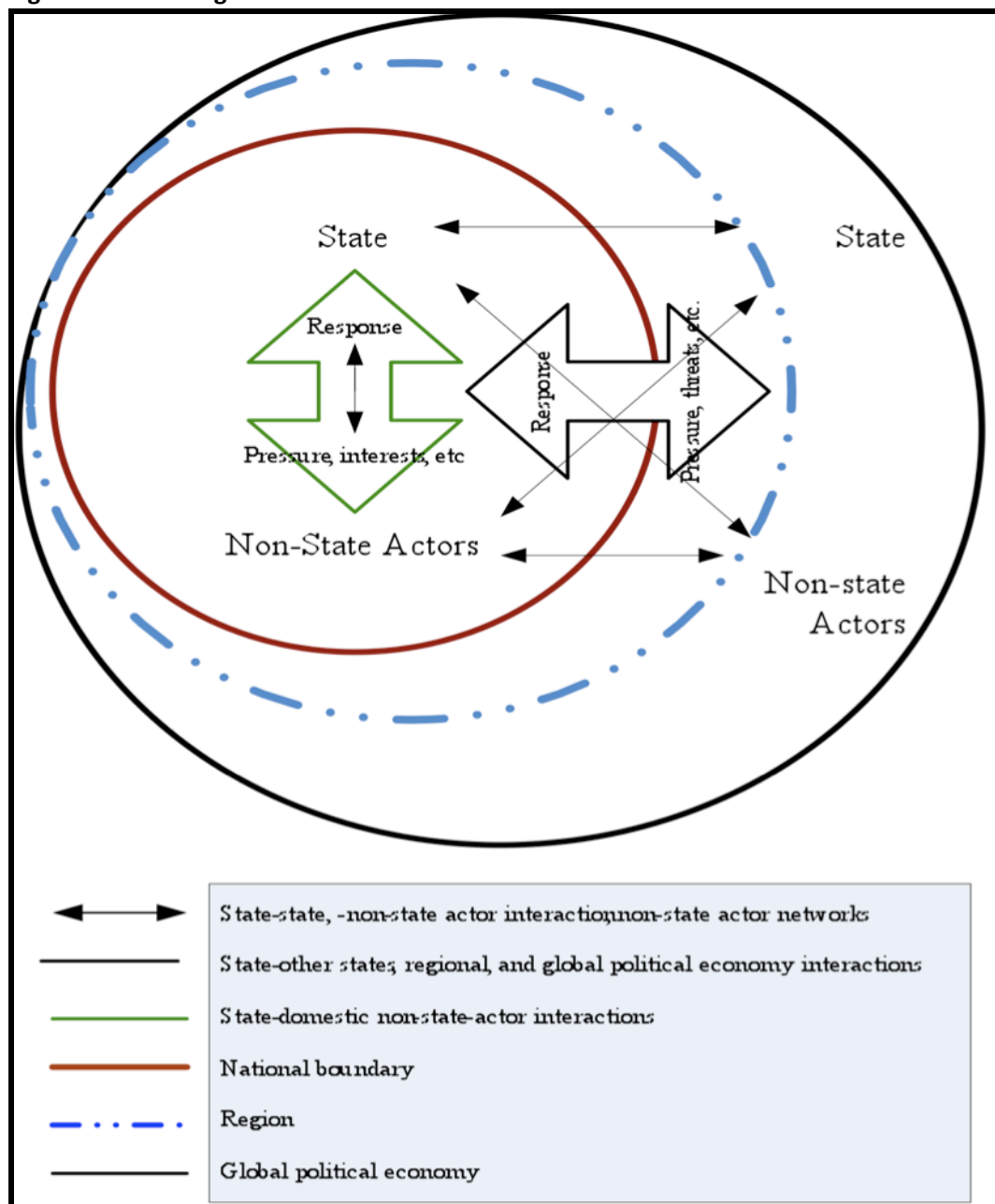


Source: the author

Domestically, socioeconomic and political interests encourage or derail integration, as Figure 2 shows. Zambia and Malaysia show challenges of balancing competing domestic interests aside regionalism. Some groups steer state decisions towards goals that conflict regionalism and promote fragmentation. Legitimacy concerns drive incumbents towards policy measures that encourage fragmentation, as Dr. Mahathir did in ASEAN.¹¹ Generational changes in state leadership also affect regionalism. Tanzania under *Nyerere*, pioneer of African regionalism, would not have withdrawn from COMESA.

¹¹cf. footnote 2.

Figure 2 State – regional interactions and non-state actor networks



Source: the author

Conclusion

What does this mean for Asian and African regionalism? Duly recognizing/supporting informal cross-border actors will foster integration between host countries. Ethnic Chinese entrepreneurs demonstrate their significance in Asian interdependence and growth. Further, good roads, bridges, etc. facilitate interaction among such actors by increasing and evening traffic. To this end, large-scale infrastructure projects such as roads provide opportunities for interstate regional cooperation. Regarding intra-regional interstate relations, claims to sovereignty and national security derail integration.

The highlighted oscillations between integration and fragmentation in Asian and African regionalism play

out at international, state and grassroots levels. Domestically, state—non-state actor interactions promote either integration or fragmentation. State actors desire to consolidate power and maintain legitimacy. The periodic disengagement from regionalism conceals the geographical logic involving grassroots cross-border interactions that continue even when state-led regionalism stalls.

The analytical approach employed here has weakness, which highlight the limitations of Eurocentric integration theory in explaining Asian and African regionalism. Moreover, such theory and literature questions the effectiveness of Asian and African regionalism. However, changing focus from failures shows that regionalism helped liberate Africa from colonial rule. ASEAN's milestone East Asian region-building attempts showcasing the ASEAN+3 initiative counter the 'mere talking shop' tag.

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