Chapter 7

Conclusion
It has been the intention of this thesis to understand the politics of regional integration in the Third World. In the previous six chapters, we have studied regional integration in the theoretical and historical perspectives and analysed regional integration in the Third World. We have focused on the impact of three key variables—security politics, the role of the leading states and the impact of external influences on the Third World, taking ASEAN, MERCOSUR and SADC as our case studies. This concluding chapter will sum up the previous chapters with the intention of projecting the findings from each chapter and each variable used. In addition, it will lay out the main challenges and prospects of regional integration in the Third World countries.

Security: An Impediment to or a Catalyst of Regional Integration?

In the chapter on security politics, we have seen how the meaning of security assumes a completely different dimension when applied to Third World specific situations and perceptions. The main reason is that the concept of security and its definition have been conceived with the Western world in mind. Therefore, many of the models of security cannot be applied to the Third World. We will see why.

In the Western countries, many of the problems of nation-building, legitimacy of governments, security in food, environment, health and military fields have been taken care of to a large extent, if not completely. This is not so in the Third World where these issues remain pressing problems. Security for the Third World states therefore refers to the whole dimension of the state's existence (Thomas 1987). Even after the end of the Cold War, with changes in the government set up, these problems refused to go away. Mostly, the problem lies in the threat perception of the leadership. This perception affects the process of regional integration to a huge extent. While being a major problem and a stumbling block toward a higher level of cooperation and integration, it has also been a factor bringing Third World countries closer together, albeit with uncertainty and suspicions in the minds of everyone. Threat perceptions and the problems of underdevelopment, regime maintenance, and external and most importantly, internal stability severely affect the process of regional integration.
The above issues become a priority for most governments, thereby affecting the range of feasible options for integration. Very often, even states that are more economically sound and militarily strong have not been willing to share or commit even a small part of their sovereignty to the regional organisation. This impedes any steps taken in favour of regional benefits. “The sense of community” of Deutsch (1957) also becomes a secondary imperative when these states have to deal with so many other problems for their survival. Therefore, in studying Third World regional integration, one must bear in mind the massive importance of the security dimension because of the different outlooks and perceptions and the condition unique to the Third World.

In the Third World countries, and especially for the members of ASEAN, MERCOSUR and the SADC after the end of the Cold War and in the changing world narrow minded agendas need to change so that regional integration and cooperation may advance towards a new level. But at the same time, one must be well aware that the end of the Cold War does not mean perpetual peace. The world has now moved towards a new phase of security dilemma wherein new forms of threat become more and more acute every day. The first step to be taken is to adopt a series of confidence building measures between members. This will faciltate more trade and interaction between the people and remove any unfounded suspicions that may have existed. In addition, the prevailing concept and ideas around security need to be changed too. Unless this is done, security will always be an impediment to regional integration.

On the other hand, security issues have brought Third World countries together too. As we have seen, ASEAN was set up because the founding members felt that there needed to be a platform or an organisation to preserve peace and stability within the region. It was during the Vietnam War that ASEAN was set up to achieve regional security and to promote economic growth. Rummaging through the Bangkok Declaration, one can see that peace and security was the main impetus that mobilised the Southeast Asian states into forming an association that would ensure stability in the region. Indeed, the idea of security was the utmost in the minds of everyone during the Cold War. But Southeast Asia was the arena in which the Cold War was fought. As a result, many of the Declarations and plans of ASEAN pertain to security issues.
Likewise, the harsh policy of South Africa brought together the Frontline States (FLS) into forming the SADCC in 1980. Security for these states was hard to come by as the Republic of South Africa was the most powerful regional actor and the biggest security threat for them. They decided that their dependence on South Africa diminished their economic and political well-being. Feeling unsafe, they had to join hands to fight collectively against any onslaught of the apartheid regime.

The cases above show that security concerns can have a positive or negative impact upon states and regional organisations. But at the same time, the problems related to security cause many frictions between states because of the different security concerns.

For the ASEAN states, the ASEAN Way or the ASEAN informal process of noninterference has to be changed to a more direct means of resolving disputes and differences instead of always skirting the issues and ignoring underlying tensions. In fact, dispute settlement has always been attempted through bilateral efforts. Apart from territorial disputes, the major security threats to the region consisted in internal dynamics rather than in the external threats. For the ASEAN states, the ARF does not have the capacity, institutional structure or any political mandate to work effectively as a conflict-resolving mechanism. In addition, the ARF’s mode of functioning is based on the ASEAN Way of informal dialogues that would gradually lead to cooperation. As a result, the Association could not make any solid contribution in resolving the East Timor conflict, for example.

Since the establishment of the SADC Organ on Politics, Defense and Security (OPDS), the southern African region now has proper security architecture. But there are still many major problems including HIV/AIDS epidemic, poverty, high rates of unemployment, adverse terms of trade, low rates of exports, underdevelopment and other human security threats.

In South America, an alarming and uncomfortable trend since the late 1990s has been that the region’s leading players have begun to invest heavily on arms purchases. As Orozco (2007) has pointed out, Venezuela’s recent arms spending of
$4.3 billion since 2005, exceeded even that of Pakistan with $3 billion and Iran at $1.7 billion. In 2005, Chile led the region with $2.8 billion in arms purchases, followed by Venezuela with $2.2 billion and Brazil with $1.3 billion. However, Brazil’s defence budget during 2005 peaked to a “modest” $8.7 billion, about 2 percent of its GDP (Orozco 2007). As Orozco (2007) summed up, even though the era of military strongmen may be over, the leading states of Latin America continue to believe in the importance of military might in international relations.

**Leading States and Regional Integration**

From what we have seen in detail from the fourth chapter, the roles of the leading states in regional organisations are very important. The perceptions and policies of the leading states often change the whole direction of regional integration. Some use it to further their interests; some play a role that is detrimental to integration while others play roles that enable the formation of more cohesive regional integration arrangements. Like other variables that have been taken up, the role of the leading states differ from region to region and from state to state. It depends on the uniqueness of each regional organisation, region, state and policies of the leadership. For example, the presence of the US and its long history of dominance within the region prompted Brazil to use MERCOSUR as an instrument to project itself as a superpower in the region, thereby challenging the dominance of the US and at the same time protecting its industries. Brazil also regards MERCOSUR as an alternative model of regional integration for the southern cone states and as a step towards the creation of a South American Free Trade Area (SAFTA) and the Free Trade Area of the Americas (FTAA). It its zeal to protect its industries, Brazil adopted a protectionist policy and an industrialisation policy hampering regional growth in trade. It therefore advocated a loose intergovernmental structure for MERCOSUR. As a result, presidential diplomacy has been playing a very important role in resolving crises in this region, as during the Brazilian-Argentine crisis of the late 1990s. The presence of Argentina, the main leader within the Spanish-speaking nations of South America, is an important ingredient in the study of the role of leading states. As we have seen, the rivalry between Brazil, the lone Portuguese-speaking nation in the Americas and the Spanish-speaking world within the region is an important factor that affects the course of regionalism as a whole.
In southern Africa, the role that South Africa plays is also an important factor that must not be ignored. The position of South Africa in the region in terms of economy and military might is quite different from those of its neighbouring states. The admission of South Africa into the SADC was a landmark victory for the FLS that had suffered due to South Africa’s regional destabilisation policy during the apartheid regime. However, the role of South Africa within the SADC has become more and more important as the lone leading state in the region. The task of incorporating South Africa within SADC has still not been completed. There still remain very imbalanced economies that need to be harmonised for a successful regional integration arrangement. Imbalanced growth and regional inequalities need to be tackled first. Also, South Africa also needs to lead the way for others to lessen this disparity. The other members complain that South Africa has not done enough. But the fact is that the region and the countries within are still undergoing changes and transformations. After the insertion of South Africa, the value of intraregional trade exports has risen considerably. But another important fact to note is that for further trade improvements, other countries will also have to develop their skills and expertise, credit facilities and resources to offer South Africa. Overall, being the centre of economic and military might, South Africa will now have to develop itself and its partners in a more constructive and positive way than before. It is hoped that South Africa will lead the way towards a new system of economic and political relationship among SADC member countries and act as a model for other regional organisations existing within and outside Africa. These expectations may be too high for a country undergoing transition because South Africa is also plagued with many internal problems including HIV/AIDS. If fears still remain in the minds of other members of the SADC, it will not be totally unfounded because of the historical relationships that they had with South Africa. Unfortunately, this could leave little room for better cooperation and integration. What is needed therefore is renewed understanding based on needs and capabilities, mostly on non-military issues. Ultimately, what the future holds for SADC depends, as in the past, on what happens to South Africa.

In Southeast Asia, the need to synchronise the roles of the five original members of ASEAN is an important matter. From being primarily a security organisation to maintain peace and stability in the region during the Cold War,
ASEAN has become an important association with regional integration on its agenda. To effectively function and strive towards their objectives, ASEAN member countries and the leading states have to continually develop understanding between themselves. What is needed is an effective mechanism or structure wherein bilateral conflicts, internal problems or multilateral conflicts can be resolved. The ASEAN Way of non-interference and ignoring key issues needs to be overcome. In securing a more effective intra-ASEAN trading system, Singapore and the rest of the members will also have to work out a proper plan so that the exclusion lists of each member may be limited to an agreed few. While Singapore wanted to project itself as the regional economic hub, other members also wanted to promote their own growth regions. Establishing such a region or regions has only further weakened the weaker members. Besides, unequal labour costs, interstate tensions, and ethnic problems created problems for such a growth area. The region is also quite prone to financial crises. An effective association and integrative organisation requires the leading states to join hands and create an atmosphere and mechanism to deal more effectively with any future crises. In 1997, each state seemed to have been left to deal with the crisis on its own. Proper mechanisms to regulate financial borrowings also need to be put in place.

On a different matter, when the East Timor crisis erupted, ASEAN was in quite a quandary about its response. As one of the oldest and most successful organisations in the region, the leading states ought to have played a much more active and constructive role during the crisis. On the contrary, ASEAN was pushed to the backseat while violence was perpetrated in its own backyard. ASEAN’s role during the crisis highlighted its sensitivity to another member’s sovereignty and its strict adherence to the principle of noninterference and to informal mechanisms of conflict management of the “ASEAN Way”. Therefore, what is needed is for all leading states of ASEAN to join together and develop proper ways and means to realise the objectives of ASEAN as set out in the Bangkok Declaration and in successive declarations. Unless the leading states play positive and proactive roles and look beyond their national interests and narrow politics, ASEAN will begin to lag behind other regional organisations that are cropping up all over the world.
External Influences on Integration

Chapter Six has dealt with the role of external influences on regional integration. What can be seen from the study is that no country, region, or for that matter, regional organisation has been functioning independently or without any outside influence. In fact, the very presence of some external influence had acted as the catalyst for the formation of regional organisations with the objective of regional economic cooperation and regional integration. At the same time, like the role of the leading states and the security concerns, it can also create hurdles in the way of regional integration. For example, one can easily see that the interplay of several external factors led to the establishment of ASEAN. The Vietnam War, the ongoing Cold War enmity and other external threats including the location of nuclear weapons in the region drove the formation of ASEAN. These international situations and the opinion on the part of the external players that the states of the region need to take more responsibility in resolving conflicts and secure peace and stability created an atmosphere conducive to the formation of ASEAN. Being mostly under the influence of the US structurally and ideologically, the economies of these states were closely integrated with the part of the world dominated by the US. As a result, the threat perception and concept of security of ASEAN leaders were naturally oriented against communism. Therefore, the security agenda was to develop resilience to serve as a bulwark against communism. We have also seen that the weak institutionalisation of ASEAN is the result of the US influence. The US after the Second World War advocated bilateralism in all its dealings. This resulted in weak institutionalisation of ASEAN. This became an attractive option for the leading states, who wanted to adopt informal and noninterventionist policies for the regional organisation.

For Latin American states, the period during the Cold War was a period of isolation. As the region was not of paramount concern for the US, it was cut off from the rest of the world. The US policy towards the Latin American countries was complicated. On one hand, it supported democratic movements; on the other, it also allowed non democratic regimes to emerge in countries with communist leanings. US policy towards Latin America was determined wholly by the desire to contain communism. At the same time, Latin American countries came to see the US as the overarching or even imperial power. Latin American states’ trade and relationship
with the Soviet Union therefore did not have a very big effect on regional integration movements.

After MERCOSUR was formed, intraregional trade shot up tremendously. Meanwhile, Brazil attempted to project itself as the major player within the region and opposed the domineering nature of the US. For both Brazil and Argentina, MERCOSUR was a way of putting the region on the international map, which is a direct result of the domineering nature of the US during much of the Cold War. For the US, advancing the FTAA is a better option for its continued influence while for Brazil and Argentina, MERCOSUR became an important instrument through which negotiations for the FTAA or with the US are now being carried out.

Like Latin America, southern Africa was not an area of importance for the superpowers during the Cold War. Nevertheless, the region had its share or superpower politics. The main factor guiding superpower policy was American attitudes to the post-colonial states of Africa. These states were seen as strange creations of colonialism. Even after they gained legitimacy, their real worth remained deeply embedded in their importance to the East-West confrontation during the Cold War (Hentz 2004: 28). In the case of apartheid South Africa, while the US wanted access to the natural resources, its self-projected international status of being a champion of democracy and human rights put it in a quandary. Nevertheless, the US invested heavily in South Africa's natural resources. The US also tacitly supported the aggressive policy of South Africa towards SADCC countries with communist leanings. This support bolstered South Africa further, causing complete mayhem in the region during the 1980s. Regional integration was impossible during the economic and military actions of South Africa.

The 1990s were an important period. With the abolition of apartheid, South Africa became a member of the SADC. Disparity in economic conditions and heavy dependence on foreign aid compounded with other internal and domestic problems nevertheless, remain. For the US, the subject matter of Cold War security issues still remain valid, especially after the September 2001 terrorist attacks. But as Hentz (2004: 30, 32) writes, the US policy towards Africa has always been "distant and
ASEAN, MERCOSUR and SADC

The three variables used to compare the three regions and regional organisations are inextricably linked. For example, while studying the security factor in the Third World, one cannot ignore the role of the leading players and their security perceptions. Likewise, the external factor influences the security apparatus and perceptions. Similarly, the roles of the leading states are mostly pronounced in the security policies and issues. South Africa's role in southern Africa during apartheid is unique as it was simultaneously an important leading state and the principal external factor. While studying the role of the external influences too, the role of the leading players and the security threats that they posed need to be analysed. This is true for every region, be it in Asia, Africa or in the Americas. These variables are interchangeable as well as inextricably related and interrelated.

From the previous studies of ASEAN, MERCOSUR and SADC, a few points can be made about the nature, structure, functioning, problems and prospects of Third World regional integration. One obvious point relates to the differences between these three regional organisations in terms of their functioning and the circumstances surrounding their establishment. In addition, the differences in members' commitments, levels of development, members' perceptions of regionalism, the forms of governments and the objectives for which they were established must be taken note of. In the pages that follow, we will compare the three regional organisations on several points including their structure and activities, policy position of members, and on the problems facing each regional organisation.

Firstly, it is important to note the differences in objectives and the conditions behind the formation of ASEAN, MERCOSUR and SADC. ASEAN is the oldest regional organisation among the three. Formed during the Vietnam War, ASEAN leaders, aware of the situation revolving around the region, decided to create an organisation for promoting peace and stability within the region. They also had a common fear regarding foreign bases in the region and affirmed that "all foreign bases are temporary and remain only with the express concurrence of the countries
concerned and are not intended to be used directly or indirectly to subvert the national independence and freedom of States in the area or prejudice the orderly processes of their national development”. (Bangkok Declaration 1967) During its formative years, ASEAN was simply seen as a pro-American bloc. But since then, it has transformed itself and asserted its position in an uncertain world order to emerge as one of the more successful organisations seeking new opportunities and grounds for new levels of development and cooperation.

While ASEAN was formed to accelerate economic development and to ensure the stability of the Southeast Asian region, MERCOSUR was specifically set up to achieve economic integration, and that too after the Cold War has ended. It was set up to achieve economic integration of its members by means of free trade and the establishment of a common external tariff. The founding members, recognising the international trends towards regional integration, believe that the formation of a common market is an important step to bring about Latin American integration. Thus, the major aims include “to promote the scientific and technological development of the States Parties [Argentina, Brazil, Paraguay and Uruguay] and to modernise their economies in order to expand the supply and improve the quality of available goods and services, with a view to enhancing the living conditions of their populations”. (Treaty of Asunción, 1991)

As we have seen before, the southern African scenario during the formation of the SADCC, the predecessor of the present SADC, was that the Republic of South Africa was (and still is) the most powerful state in all matters. The difference between then and now is that before the 1994 elections, the policy of apartheid followed by South Africa was the major point of contention between black states and South Africa. South Africa was also not a member of the SADCC. Thus, the situation, economic conditions and disparities demanded that the founding members of the SADCC come up with objectives to reduce members’ dependence on South Africa and other external private capital while promoting intraregional trade and development. But as a whole, we have seen that the SADCC largely failed to achieve these objectives, the cause of which may be attributed to the policies of blackmail, destabilisation and military actions on the part of South Africa and because of the general backwardness of the member states. In 1992, through the Windhoek Treaty,
the SADCC was transformed into the SADC with South Africa officially joining the SADC in 1994. As a result, the objective of removing members’ dependence on South Africa was removed.

Such were the different backgrounds from which ASEAN, MERCOSUR and SADC emerged. As a result, the policy outlook, perceptions and aims also differ widely among these organisations. As regards regional economic integration, we can see that only MERCOSUR was set up to achieve it. As a result, the purposes, working, and interest of MERCOSUR and that of ASEAN or SADC are not the same. While ASEAN has made declarations regarding nuclear weapons and military bases, MERCOSUR in this matter has not made any move as its primary purpose is the establishment of a proper mechanism to facilitate trade relations and economic integration between member states. For the SADCC, the initial objective of removing members’ dependence on South Africa has been overcome with the Windhoek Treaty of 1992 when the apartheid regime in South Africa ended. The major task since then has become the restructuring of the organisation from a loose association of states to a more effective instrument of regional cooperation and integration. Therefore, to make a too simplistic observational generalisation from among these three organisations cannot and will not be right. It is important instead to make multivariate comparison such as we have made it in this thesis.

Secondly, there have always been points of convergence and divergence between the policies of governments and those of regional organisations. It is this factor that makes each regional organisation or government unique. As we have seen in the fifth chapter, according to Barbara Haskel (1974), policies may be divided as expansive, distributive and dependency reducing. The first category refers to policies that are designed to create regional benefits, the second to those that would assure an equitable share of regional benefits between members and the third to those that would empower the region or reduce external influences in the region. Therefore, stronger states like Brazil in MERCOSUR and South Africa in SADC tend to adopt a more expansive policy while other states would like policies that would guarantee them a share of any regional benefits and those that lessen their dependence on others.
From another angle, while MERCOSUR seems to adopt a more expansionist policy, ASEAN seems to vie towards a more distributive kind of policy and the SADCC had to adopt a dependency reducing policy. Brazil sees MERCOSUR as a platform through which it could expand its sphere of influence within the Americas. As Brazil is more independent and more economically strong than its partners, it advocated a loose structure while its partners insist on an institution that would give special treatment corresponding to relative levels of development (Philips 2001). ASEAN is a region in which, quite uniquely, the smallest member – Singapore – is also the richest and most developed. It therefore comes as no surprise that Singapore’s partners in ASEAN have opted for the second option where much of the benefits from regional integration were sought to be distributed among members. Nevertheless, agreements and cooperation on amicable lines on integrative issues and economic openness do not always happen. For example, during the 1980s Thailand was unwilling to reduce tariffs and subsidies in order to protect its import substitution sectors. Even after the 1990s, this position can be seen in the policies of Indonesia and Malaysia. For Malaysia, protecting its agricultural sector was one of its main priorities. Politically too, there have been differences on the issue of the Spratly Islands between China, Vietnam, Taiwan, Brunei, Malaysia and the Philippines. On other issues, Myanmar and Vietnam are opposed to any intervention in their affairs. In the same vein, not all members agree about democratic principles. This became obvious when some members expressed their reservations on the admission of Myanmar and Cambodia into ASEAN. These cases explain the difficulty of removing politics from Third World politics and regionalism and that functionalism cannot be applied to these areas.

For the southern African countries, much of the policy thrusts during the Cold War were aimed in reducing their economic dependence on South Africa and other external powers. This struggle to break free from this burden was a hard one because they had to deal with the repressive policies adopted by the South African government while at the same time trying to fulfil other commitments at the regional and international levels. Nevertheless, the dependency-reducing thrust remains even after South Africa’s incorporation into SADC.
This thesis has endeavoured to demonstrate both the impediments and opportunities for regional integration in the Third World. ASEAN, MERCOSUR and SADC, the three most successful regional organisations in the Third World, are located in Asia, Latin America and Africa respectively, which gives them a certain symbolic significance as well. We have seen how security politics, the policies of leading regional players and the impact of a variety of external influences can enhance or diminish the prospects for regional integration process. Of one thing there can be no doubt: in the era of globalisation, Third World countries have no option, but to pool together their resources and fortunes in their respective regions.