Expanding Lateral Partnerships

BY STEPHEN BROWNE

Regionalism is in vogue. It involves three main types of partnership—protected regionalism, open regionalism and micro-regionalism. All are frameworks for expanding lateral—as opposed to vertical—forms of development cooperation. The phenomenon, its significance, and examples of functioning regional cooperation are explored by Stephen Browne, who is the United Nations Development Programme Resident Representative in Rwanda.

"WE BELIEVE that economic integration, investment and free trade are key factors for raising standards of living, improving working conditions and better protecting the environment...we are confident that the Free Trade Area of the Americas will enhance the well-being of our peoples." Declaration of Santiago, signed by 34 heads of state at the conclusion of the Summit of the Americas, April 1998.

During their annual summit meeting in 1996 in Lyon, the Group of Seven industrial countries (G-7) devoted a lot of attention to the international development agenda, at the instigation of the host country. Alongside the more familiar reaffirmations of commitment to aid, the final communique referred to the "fundamental responsibility" of the developing countries for promoting their own development, and stated that "it is in their interest to commit themselves actively to the multilateral system and to promote regional cooperation".

Regionalism is not new to the global agenda, and it is more and more frequently bracketed with globalization. All forms of political and economic cooperation are receiving a higher priority among countries in all regions and at all levels of development. It is also significant that the G-7 should have chosen to highlight regional cooperation in a statement on the future of aid, acknowledging the growing importance of intercountry partnerships in parallel with more dependent relationships.

Regionalism is in vogue. There are a few examples of long-established regional groupings that have become stronger over time—notably the 15-member European Union and the 9-member Association of South-East Asian Nations (see box). But many of those established over the last three decades have been short-lived or have retained mainly symbolic political significance. From the late 1980s, however, there has been a growing commitment to regionalism, for a number of reasons.

First, regionalism reflects an increased understanding of the importance of trade and economic openness. Inward-oriented development and self-sufficiency—a concept traditionally espoused by state-controlled economies—are terms disappearing from the development lexicon. Even Russia and the four largest continental developing countries—Brazil, China, India, and Indonesia—have recognized the need to widen their markets. These "big five" account for half the world's labour force of 3.5 billion people, but only 8 per cent of world exports. All five have shown interest in regional cooperation in recent years. At the other end of the scale are the small states—87 independent countries, out of a total of 193, have fewer than 5 million people; for them, membership of regional blocs can provide economic openness without exposure to the full blast of global competition.

A second allied reason for regionalism is globalization. The real world is perceived as increasingly borderless, and competitive boundaries between transnational corporations count less than national boundaries. Thus, while regionalism receives official recognition in formal intergovernmental agreements, it is also manifested in the rapid expansion of privately sponsored cross-border economic activity.

Third, in many parts of the world, there is a more conciliatory political climate. The Cold War kept many neighbors at political odds. In its aftermath, old ideological enemies and political rivals are more willing than before to collaborate. Countries of the Warsaw Pact are now joining the North Atlantic Treaty Organization (NATO) and seeking membership of the European Union. In West and Central Asia, there is a new Black Sea Economic Cooperation forum. The Economic Cooperation Organization expanded its membership in 1992 to include all the newly independent countries of central Asia. The arrival of full democracy in South Africa also gave a new lease of life to the Southern Africa Development Coordination Conference, renamed a Development Community in 1992. There have also been examples of stronger regionalism in East and South Asia.

Fourth, regionalism reflects collective solidarity in trade. When the latest global trade negotiations—the Uruguay Round—began in the 1980s, there were widespread hopes that they would be completed within a few years. In the event, although the Round went further than had originally been anticipated, there was much frustration at its slow pace, prompting many countries to take a 'sub-globalist' route. The creation of MERCOSUR in 1991 by Argentina, Brazil, Paraguay and Uruguay (see box), and the expansion of the US-Canada free trade area to include Mexico in 1993 and form the North American Free-Trade Agreement (NAFTA) were both examples of regionalism as a subset of global tariff-cutting. In global negotiations, moreover, regionalism also encourages the formation of collective negotiating positions, likely to have more weight in the overall balance.

This article examines regionalism, and the different types of partnership inherent in regional cooperation arrangements, more closely. The purpose is to review the growing importance of such partnerships as frameworks for expanding lateral—as opposed to vertical—forms of development cooperation.

THREE TYPES OF REGIONALISM

Regional cooperation takes various forms which do not lend themselves easily to categorization. This article describes three different forms of economic cooperation—protected regionalism, open regionalism, and micro-regionalism—which cover the most important manifestations at the regional level. All forms of regionalism assume that some measure of cross-border cooperation is a superior alternative to purely country-based economic systems. The forms differ in several important ways, however, including the extent to which regional arrangements are dependent on government initiative.

Protected regionalism: the preferential trading arrangement

Most regional cooperation arrangements focus on trade, and they are very numerous. By 1997, the World Trade Organisation (WTO) and its predecessor, the General Agreement on Tariffs and Trade (GATT), had been notified over the years of no fewer than 144 regional trade agreements, of which some 80 were still in force.

The majority of these agreements fall into the category of preferential trading arrangements (PTAs). We have chosen to describe them as 'protected' regionalism, for reasons which will become more evident below. PTAs are usually formed among limited numbers of countries, with the specific purpose of fostering more trade within the grouping. They do this by lowering tariff and other trade barriers, streamlining border administrations, setting up common recording systems and nomenclatures for traded goods, and so on. In a customs union, common external tariffs are raised against goods imported from nonmembers.

The potential advantages and disadvantages of PTAs for the participating countries can be described in both 'static' and 'dynamic' terms. Static factors are those resulting from once-for-all resource reallocations, while dynamic factors are the continuing and longer-term changes that can be ascribed to regional cooperation. In PTAs, static gains and losses depend on how much trade has been created, rather than diverted or suppressed—the net economic advantage.

When a PTA is established, the members agree to lower the tariffs on certain items traded among them, thus reducing their costs. In a customs union, the members establish common external tariffs on some items traded with non-members; these tariff levels are usually higher than those prevailing before, and result in higher costs of those items in the markets of the members. Trade is created when a partner replaces goods produced at a higher cost domestically with goods produced at a lower cost by a partner. Trade is diverted or suppressed, however, when a partner replaces goods produced at a lower cost outside the union with goods produced at a higher cost domestically or by a member country.

Because of the complex politics of the region, ASEAN has evolved cautiously for most of its history. The first and second summits of heads of government did not take place until 1976 and 1977, the latter as a commemoration of the first 10 years. Since 1995, there have been formal or informal summits every year. There is also an elaborate administrative and committee structure which ensures frequent contacts among ASEAN representatives, through more than 300 meetings per year. The ASEAN Ministerial Meeting (AMM), comprising the Foreign Ministers, is responsible for strategic policy and coordination and meets annually. Economic cooperation is the responsibility of the ASEAN Economic Ministers, also meeting annually. Both these committees report to the ASEAN Summits. The most active policy body is the ASEAN Standing Committee which meets more frequently and reports to the AMM. There are also many committees and forums in sectoral, technical and cultural areas, coordinated in each member country by national secretariats in foreign ministries.

For the cohesion of the grouping, however, one of the most important developments in recent years has been the upgrading of the status of the ASEAN secretariat in Jakarta. In 1992, the position of Secretary General was elevated to ministerial status, and the secretariat has since been restructured and expanded to include 32 internationally recruited professional positions.

Underlying the elaborate political and administrative structure of ASEAN, however, is a dynamic process of economic interchange, which predated the formation of the grouping. The people of the original ASEAN countries have been collaborating actively in economic terms for many years. The main common element is the entrepreneurial Chinese diaspora, who are prominent in the private manufacturing and service sectors. ASEAN's first objective—"to

ASEAN—THE MOST ENDURING ASIAN PARTNERSHIP

The Association of South-East Asian Nations commemorated its thirtieth anniversary in 1997. Although the celebration was muted by the economic difficulties facing several of its members, the anniversary was significant because ASEAN has demonstrated continuity and has grown, albeit unsteadily, in depth and breadth since its inception.

Politics and security considerations first brought the five founding members of ASEAN together—Indonesia, Malaysia, Philippines, Singapore and Thailand—with the signing of the Bangkok Agreement in 1967, during the war in Indochina. It was initially an anti-communist alliance, and there is thus some irony in the fact that, following the adherence of Brunei in 1984, the seventh member of ASEAN was Vietnam, in 1995. Laos and Myanmar joined in 1997, and Cambodia is expected to become the final Southeast Asian member in 1998. Economically as well as politically, expanded membership has greatly altered its complexion. It now comprises at least three income tiers (with Brunei and Singapore at the high end, Laos, Myanmar and Vietnam at the low end, and the others in the middle) and different economic systems, mixing very open economies with enclosed transitional ones.

accelerate the economic growth" of the region—is largely being accomplished outside the official purview of the grouping. However, the process of economic integration is being assisted by the lowering of trade barriers. This was a very gradual and hesitant process during the first two decades of ASEAN's existence and had little impact on trade patterns in the region (ASEAN accounts for only 22 per cent of trade among the members). But in 1993, the members agreed to establish an ASEAN Free Trade Area, phasing out tariff and non-tariff barriers by the year 2003 (for the new members, it will be 2008). For a market of 470 million people—substantially larger than either the European Union or the US—this facilitation process will be an important stimulus for both trade and investment within and into the region.

In terms of customs union theory, the benefits of ASEAN are clearly more dynamic than static. Some of these benefits were not anticipated, but they serve to underline the importance of regional partnership. While the poorly planned expansion of the membership has now brought into the grouping several members with very different economic records, there could be important 'dynamic' benefits in terms of encouraging the new members to adopt more liberal and outward-looking economic policies in order to gain maximum benefit from their inclusion in a dynamic and progressive economic space. In this regard, ASEAN membership is likely to have an impact at least equal to the programs of development assistance being provided to the transitional countries individually. Practice is always easier to emulate when it is next door.

ASEAN has also begun to promote the concept of open regionalism. In 1994, the grouping established the ASEAN Regional Forum. It brings together the nine member countries, Cambodia as an observer, Papua New Guinea as a 'special observer' and ten dialogue partners (US, Canada, Japan, European Union, Russia, China, India, Korea, Australia and New Zealand). The Forum has no economic agenda, but is designed to promote dialogue on preventive diplomacy and confidence-building in the region. The EU is ASEAN's oldest dialogue partner, and there have been attempts in recent years to build closer ties with Europe. The first formal meeting of the Asia-Europe Meeting was in early 1997 and is intended to become an annual event.

It is rational for countries to enter into trade agreements when the lowest cost producers of traded goods are members of the grouping. In practice, this is rarely the case, and adherents to PTAs are often faced with higher costs of essential items. An example is provided by Britain, when it joined the European Community in 1973. Britain had been a large importer of food from low-cost producers in Australia and New Zealand and was obliged to phase in larger tariffs on food from these sources, switching to higher cost producers in Europe. The EC led directly to a significant diversion of trade and a substantial rise in food prices in Britain.

There are other potential 'dynamic' gains from trade within PTAs. To the extent that trade is increased among neighbors, transport costs are lowered. And regional agreements usually go beyond tariff reduction to facilitate the freer movement of goods among members. There are also advantages in terms of rent gains for exporters who can sell their products inside the union at higher prices, equivalent to the world price plus the common external tariff. Regional trading blocs have been described as 'natural' partnerships, since neighbors could be expected to trade disproportionately with each other even in the absence of formal arrangements.

There are gains from operating within a larger protected market, which offers what has been called the "internationalisation of protection". From the 1950s, the idea has been prevalent of using trade cooperation to allow infant industries in member countries to benefit from larger markets protected from competition by more efficient lower-cost producers outside. On the assumption that this protectionism is gradually diminished over time, these economy-of-scale arguments are among the "dynamic" advantages attributed to PTAs. Other advantages may be derived from the joint development of infrastructure (regional transportation and communication networks) as well as pooled research efforts.

In practice, the determination of gains and losses in PTAs is highly complex. For example, there are enormous ambiguities associated with "rules of origin". In today's globalized economy, more and more manufactured goods are produced with raw materials and parts from several different countries. When these parts originate outside a regional grouping, they may attract tariffs—or they may not if they benefit from foreign investment incentives. Tariff-free or otherwise, these externally sourced materials and parts make the final traded product partially "foreign" to the trade grouping. Should such products benefit from the lower tariff privileges of the PTA?—wholly, partially or not at all? These questions have to be answered by carefully negotiated rules of origin. Other consequences of PTAs which have to be weighed in the cost-benefit balance are losses of tariff revenues, which can be substantial for some countries. For example Mexico, which has traditionally maintained rather high tariff levels, will lose considerable income from this source through membership of NAFTA, although Mexican producers and consumers will benefit from less costly American and Canadian goods.

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With the conclusion of the Uruguay Round and the replacement of the GATT with the World Trade Organisation (WTO) in 1995, more virtue has been made of multilateralism. For global trade liberalization, tariffs cut in favor of one country, must be cut for all—the Most Favored Nation principle. PTAs, and especially customs unions, abrogate these rules. Yet when the rules of trade were written into the GATT in 1947, they included Article XXIV, which permits the formation of PTAs and customs unions as long as they eventually lead to the complete elimination of discriminatory tariffs.

For the freetraders, Article XXIV is seen as an aberration. In practice, PTAs have been quick to raise trade barriers to countries outside a grouping, and slow to phase in trade liberalization. There is a lively debate among economists about whether regionalism should be considered an alternative to, or a precursor of, multilaterism: a stumbling block or a building block.

The verdict is bound to be ambiguous. In some cases of protected regionalism, such as the European Union, the

MERCOSUR - THE FASTEST EMERGING REGIONAL COOPERATION ARRANGEMENT

The Common Market of the South (MERCOSUR) brings together Argentina, Brazil, Paraguay and Uruguay, and was created by the Asuncion Treaty of March 1991. It was formed at a time when the Latin American countries were frustrated at the slow pace of multilateral trade negotiations, yet saw regional integration as an important step towards economic openness and trade promotion.

The pace of progress has been impressive. The first three years were a period of transition, but by the end of 1994, the member countries had eliminated tariffs on 90 per cent of regional trade. During that period, the value of trade among the four countries was estimated to have grown from less than $3 billion to $12 billion per year. Intra-MERCOSUR trade in 1996 accounted for 22 per cent of total exports, compared with less than 10 per cent in 1990. The grouping is also the only major customs union outside Europe. It has established a common external tariff, covering about 85 per cent of imports from outside the region, which came into force at the beginning of 1995. The tariff schedule will be fully harmonised over the next ten years.

The MERCOSUR countries have a combined population of over 200 million, a total GDP of over $800 billion, and trade (in either direction) of over $70 billion per year. The grouping is thus an economic force of some consequence. In addition to creating a substantial amount of additional intraregional trade, the grouping has also been a spur to incoming foreign investment, as companies have sought to benefit from a large and dynamic market.

The highest authority of MERCOSUR is the Common Market Council, comprising the Ministers of Foreign Affairs and Ministers of Finance. In 1996, the grouping took the important step of establishing a secretariat in Montevideo, and a development bank to finance integration-related investment projects.

Also in 1996, MERCOSUR signed free trade agreements with its two associate members, Chile and Bolivia, and is negotiating with Latin America's other important trade association, the Andean Group, about further expansion. An eventual merger of the two blocs could lead towards an FTA in the whole subcontinent. There is also a plan for a Free Trade Area of the Americas which would link all 34 countries of the continent. In this direction, there is a growing number of bilateral trade liberation deals being negotiated, for example between Canada and Chile, and between Mexico and several Latin and Central American countries. A continuing impediment to further trade liberalization is the denial of 'fast-track' negotiating authority to the US Government. However, there is no doubt that in the Americas, regional trade agreements are proving in the 1990s to be stepping stones towards continent-wide liberalization. ■

path of economic and political integration has clearly taken precedence over multilateralism, and the two processes are increasingly in conflict. The EU's elaborate system of agricultural protectionism, designed to support the incomes of Europe's high-cost farmers, proved to be a major stumbling block in the finalization of the Uruguay Round of global trade negotiations. But the existence of the WTO, its much larger membership (than the GATT), its rules of procedure, and its dispute mechanisms are putting considerable pressure on Europe to unravel its Common Agricultural Policy. The Caribbean Community (CARICOM) and the Central American Common Market (CACM), among other groupings, have also made significant progress in recent years towards lower common external tariffs.

Within regional blocs, the trends are towards internal trade liberalization first and gradual external liberalization later, and toward the building of closer links between different trading arrangements, particularly within the same continents. These trends suggest that the fashionable process of protected regionalism through PTAs can contribute to, rather than detract from, a gradual global liberalization. There are beneficial dynamic processes of lateral cooperation, in other words, that reach beyond the boundaries of the existing groupings.

But protected regionalism is nonetheless discriminatory. While the formation and consolidation of PTAs are an embodiment of the partnership principle in development, there are two other kinds of 'open' cooperation—one sponsored by governments and the other not—which deserve increasing attention, and which have important implications for the future of development assistance.

Open regionalism: the APEC example

Regional cooperation which promotes the benefits of closer regional ties, but without selective or discriminatory trade measures, is a broad definition of open regionalism. But open regionalism—as well as many examples of the protected variety—also goes beyond trade to embrace other forms of cooperation. The Asia Pacific Economic Cooperation (APEC) forum is the best current example, which could prove to be a model for regionalism elsewhere.

APEC was an initiative promoted by Australia in 1989, partly inspired by the experience of the quasi-governmental Pacific Economic Cooperation Council (PECC). APEC embodies the vision of a dynamic "Pacific rim" emerging in the next century and constituting the major global economic dynamo. With a membership of 21 countries—spanning rich and poor and including the three largest economies—APEC accounts for 55 per cent of total world output and almost half of world trade. It is not so much a region as a hemisphere. At its inception, the grouping was considered rather large and amorphous, and its impact was uncertain. However, just as the US conversion to regionalism gave impetus to NAFTA, its interest in hosting the first informal summit (of "economic leaders") in Seattle, Washington in 1993, vested APEC with increasing importance. At subsequent annual summits, significant progress has been made in forging the basic principles of open regionalism.

Seattle laid down some principles of partnership. These were to be based in large part on harnessing private enterprise in order to raise the general level of prosperity throughout the region. Exhortation led to a "declaration of common resolve" the following year in Bogor, Indonesia, in which the leaders made a commitment to achieve "free and open trade and investment" in the region by the industrialized members by the year 2010, and by 2020 for the rest. The important feature of APEC trade liberalization, however, is that it aims specifically to reduce protectionism in the region and between the region and other countries and groupings. It is thus a large interest group of one-way liberalizers, contributing directly to freer trade and investment flows globally.

The Osaka Action Agenda, agreed in 1995, was a blueprint for the process of trade and investment liberalization, and began to develop the principles of broader "economic and technical cooperation". The summit in Manila in 1996 determined further that cooperation was to be concentrated on six themes: developing human capital, fostering efficient capital markets, strengthening economic infrastructure, harnessing technologies, promoting environmentally sustainable growth, and encouraging small and medium enterprises.

The added dimension of economic and technical cooperation is significant for a number of reasons. First, it is set in the context of a substantial and globally representative grouping of countries comprising a range of development levels and resource endowments. Second, development cooperation is seen as an adjunct to a process of market and trade liberalization, which is recognized as the appropriate context for promoting regional prosperity. Third, it adheres to the principle that countries should contribute human, technical and financial resources voluntarily to cooperative ventures, from which all partners would derive mutual benefits.

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APEC development cooperation requires further definition and refinement. However, it has been the subject of growing interest and study. These studies have generally not construed APEC development cooperation as a North-South transfer of incomes, which would be in keeping with traditional aid concepts. Rather, they but focus more on trade, investment and other facilitation issues based on partnerships.

Micro-regionalism

A third form of regionalism is gaining increasing prominence. It involves activities within contiguous economic and environmental spaces encompassing parts of national territories: hence the term "micro-regionalism". In the case of so-called "growth triangles", these initiatives are largely market-driven. Where there are complex political dimensions, official sponsorship helps to encourage an enabling climate for private interests. And where there are issues of joint resource management, official mechanisms can help to assure that costs and benefits are more equitably shared.

A growing number of examples of these transboundary activities are driven by private market interests, in the absence of formal intergovernmental mechanisms, and often with limited official support. Again, some of the more vibrant examples of growth triangles are to be found in East and Southeast Asia. One example is the zone comprising Singapore, the Malaysian state of Johore and Indonesia's Riau province and island of Batam. Singapore and Malaysian investors responded to the invitation to set up labour-intensive industrial activities on the island of Batam in the late 1980s. There are also privately financed activities in the triangle to develop infrastructure and tourism. Governments have acted as facilitators of these developments, but for the most part the resulting investments have been market-driven. Other examples in the region are provided by the Special Economic Zones of Guangdong and Fujian provinces of southern China, designed to attract private capital from Hong Kong. Mainland China's relations—or lack of them—with Taiwan have also acted as a spur to triangular informal regionalism. Hong Kong has played the role of entrepôt for Taiwanese trade and investment flows to the mainland.

There are also important instances in which market regionalism can be fostered under government auspices, sometimes with the assistance of external sponsorship. In East Asia, where politics has long proved an impediment to closer cooperation, a potentially important growth triangle is being encouraged around the Tumen river, which provides a natural border between China, Russia and North Korea. The Tumen River Area Development Programme also comprises South Korea and Mongolia and—with UNDP assistance—seeks to create an economic space in a relatively backward area with potentially important strategic significance. The programme has encouraged the establishment of a governing council of the five participating countries—the only such development body in which North and South Korea regularly sit down together. The council identifies collaborative initiatives to facilitate cross-border movements of people and resources and to lay the ground for infrastructure development. Under the auspices of the programme, for example, North Korea is creating its first free-export zone. By encouraging cooperation and building confidence in the zone, the programme aims to create the foundations on which private capital will subsequently build.

A different rationale for official sponsorship of micro-regionalism is in the joint management of natural resources. When several countries share the resources of an ecosystem, it is in their interests to collaborate, so as to derive maximum mutual benefit. Major river basins provide some of the best examples, in which the riverine countries have successfully sought to establish cooperative arrangements: the Danube in Europe, the Nile in Africa, and the Mekong in Asia. There are also new regional agreements around inland seas such as the Caspian and the Black Sea, in both of which waterborne pollution emanating from sources in different countries threatens to wipe out the remaining marine life.

These three examples of micro-regionalism are distinguishable by the degree to which governments—meaning national or subnational administrations—are involved. In market-driven growth triangles, governments usually play a minor role, while maintaining a regulatory presence (unless the activity is smuggling!) In more complex political contexts, some intergovernmental mechanisms may be required to create a more favorable climate for market regionalism. In the case of joint resource management, the public presence is required on a more permanent basis to provide mechanisms that arbitrate among the respective interests of consumers and producers in individual countries.

REGIONALISM AS DEVELOPMENT COOPERATION

This brief review of regionalism can help to demonstrate that the new wave of cooperation among clusters of countries and parts of countries could replace, not just the interest in, but also the need for, traditional forms of development cooperation.

Regionalism is an important manifestation of greater economic openness being witnessed on a global scale. Through regionalism, markets are broadened, albeit sometimes within protected boundaries. However, regionalism in the context of a process of global trade liberalization led by the World Trade Organisation is ultimately contributory rather than inimical to freer trade. By bringing more countries into the fold of liberal and outward-looking economics, moreover, regionalism also contributes to continuing reform, especially in countries in a transitional phase away from central planning and management. (Policy-makers are just as likely to heed the example of their neighbors as take advice from experts based in Washington.) Hence the process is helping to change the axis of development from North-and-South to South-and-South. In the case of APEC, NAFTA and other groupings, there is no such axis at all, but rather emerging webs of equitable partnership.

This article has dwelt a lot on trade, which provides the driving force for most regional initiatives. Many, however, incorporate other dimensions of cooperation. In ASEAN, for example, there are more than twelve different sets of regular ministerial meetings on different themes and sectors, and a total of 300 meetings each year. Regional bodies also undertake important security and peace-keeping initiatives. A good example is provided by the Economic Community of West African States (ECOWAS), which has helped to broker peace agreements in both Liberia and Sierra Leone.

Regionalism in all its manifestations can give voice and respect to individual countries, expand trade, promote openness and reform, and encourage exchange of technical experience. All of these goals have been shown by experience to be consistent with development progress. Traditional North-to-South development assistance has similar objectives, but regional development cooperation is based on more equitable partnerships, without conditionality and dependence. ■

SELECTED REGIONAL ORGANIZATIONS AND GROUPINGS

AFRICA

Organization	Member States	Focus Area	Population (mill.)	GDP (1995, US $ bill.)
CEAO Communauté Economique de l'Afrique de l'Ouest	Benin, Burkina Faso, Cote d'Ivoire, Mali, Mauritania, Senegal	Economic Cooperation	59.4	
CEPGL Communauté Economique des Pays des Grands Lacs	Burundi, Rwanda, Zaire	Economic Cooperation	56.5	2.2
COMESA Common Market of Eastern and Southern Africa	Angola, Burundi, Comoros, Congo, Eritrea, Ethiopia, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, Sudan, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe	Common Market	253.9	57.7
ECOWAS Economic Community of West African States	Benin, Burkina Faso, Cote d'Ivoire, Gambia, Ghana, Guinea, Liberia, Mali, Mauritania, Niger, Togo	Economic Cooperation	82.9	29.4
IOC Indian Ocean Commission	Comoros, France, Madagascar, Mauritius, Seychelles	Regional Integration	73.4	1,543.4
MRU Mano River Union	Guinea, Liberia, Sierra Leone	Customs Union	13.5	4.5
PTA Preferential Trade Area for Eastern and Southern Africa	Angola, Burundi, Comoros, Djibouti, Ethiopia, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Rwanda, Somalia, Sudan, Swaziland, Tanzania, Uganda, Zambia, Zimbabwe	Preferential Trade Agreement (PTA)	242.6	49.8
SACU Southern Africa Customs Union	Botswana, Lesotho, South Africa, Swaziland	Customs Union	45.8	142.4
SADC Southern African Development Community	Angola, Botswana, Lesotho, Malawi, Mauritius, Mozambique, Namibia, South Africa, Swaziland Tanzania, Zambia, Zimbabwe	Common Market	134.8	170.3
UDEAC Union Douanière et Economique de l'Afrique Centrale	Cameroon, Central African Republic, Chad, Congo, Equatorial Guinea, Gabon	Customs Union	27.1	17.2

ARAB STATES

Organization	Member States	Focus Area	Population (mill.)	GDP (1995, US $ bill.)
GCC Gulf Cooperation Council	Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, United Arab Emirates	Economic Cooperation	26.5	216.0

SELECTED REGIONAL ORGANIZATIONS AND GROUPINGS, cont.

ARAB STATES

Organization	Member States	Focus Area	Population (mill.)	GDP (1995, US $ bill.)
OAPEC Organization of Arab Petroleum Exporting Countries	Algeria, Bahrain, Egypt, Iraq, Kuwait, Libya, Qatar, Saudi Arabia, Syrian Arab Republic, Tunisia, United Arab Emirates	Economic Cooperation	158.7	327.5
OPEC Organization of Petroleum-Exporting Countries	Algeria, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates (Seat of Secretariat is in Austria)	Economic Cooperation	467.5	553.9

ASIA

Organization	Member States	Focus Area	Population (mill.)	GDP (1995, US $ bill.)
ANZCERTA Australia-New Zealand Closer Economic Relations	Australia, New Zealand	PTA	21.7	405.9
APEC Asia-Pacific Economic Cooperation	Australia, Brunei, Canada, China, Hong Kong, Indonesia, Japan, Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, Philippines, Singapore, Thailand, United States	Economic Cooperation	2,130.5	15,200.4
ASEAN Association of of Southeast Asian Nations	Brunei, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand, Vietnam	Economic Cooperation	467.0	635.4
ECO Economic Cooperation Organization	Afghanistan, Azerbaijan, Iran, Kazakstan, Kyrgyzstan, Pakistan, Tajikistan, Turkey, Turkmenistan, Uzbekistan	Economic Cooperation	340.3	280.8
SAARC South Asia Association for Regional Cooperation	Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka	Economic Cooperation	1,219.5	431.6

EUROPE

Organization	Member States	Focus Area	Population (mill.)	GDP (1995, US $ bill.)
BENELUX Belgium-Netherlands-Luxembourg Economic Union	Belgium, Netherlands, Luxembourg	Economic Cooperation	26.0	681.5
EFTA European Free Trade Association	Iceland, Liechtenstein, Norway, Switzerland	PTA	11.7	453.5
EU European Union	Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom	Regional Integration	372.2	8,398.2

SELECTED REGIONAL ORGANIZATIONS AND GROUPINGS, cont.

LATIN AMERICA AND CARIBBEAN

Organization	Member States	Focus Area	Population (mill.)	GDP (1995, US $ bill.)
ANDEAN Group ANDEAN Group (Cartagena Agreement)	Bolivia, Colombia, Ecuador, Venezuela	Regional Integration	77.4	175.2
CARICOM Caribbean Community and Common Market	Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St. Kitts, St. Lucia, St. Vincent, Suriname, Trinidad and Tobago	Common Market	6.4	18.0
LAFTA/LAI Latin American Integration Association	Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, Venezuela	PTA	409.1	1,544.7
MERCOSUR Common Market of the South	Argentina, Brazil, Paraguay, Uruguay	Common Market	201.9	994.7
SELA Latin American Economic System	Argentina, Barbados, Belize, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Grenada,Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Suriname, Trinidad and Tobago, Uruguay, Venezuela	Economic Cooperation	473.4	1,617.7

NORTH AMERICA

Organization	Member States	Focus Area	Population (mill.)	GDP (1995, US $ bill.)
NAFTA North America Free Trade Agreement	Canada, Mexico, United States	PTA	384.6	7,771.0