<table>
<thead>
<tr>
<th>希望</th>
<th>内容</th>
</tr>
</thead>
<tbody>
<tr>
<td>タイトル</td>
<td>Is the &quot;EU Model&quot; Relevant to Other Regions? MERCOSUR, ASEAN and Adoption of Regional Policy</td>
</tr>
<tr>
<td>著者</td>
<td>Masujima, Ken</td>
</tr>
<tr>
<td>掲載誌・巻号・ページ</td>
<td>Kobe University law review,47:1-13</td>
</tr>
<tr>
<td>刊行日</td>
<td>2013</td>
</tr>
<tr>
<td>資源タイプ</td>
<td>Departmental Bulletin Paper / 紀要論文</td>
</tr>
<tr>
<td>版区分</td>
<td>publisher</td>
</tr>
<tr>
<td>権利</td>
<td></td>
</tr>
<tr>
<td>DOI</td>
<td></td>
</tr>
<tr>
<td>JaLCDOI</td>
<td>10.24546/81005580</td>
</tr>
<tr>
<td>URL</td>
<td><a href="http://www.lib.kobe-u.ac.jp/handle_kernel/81005580">http://www.lib.kobe-u.ac.jp/handle_kernel/81005580</a></td>
</tr>
</tbody>
</table>

PDF issue: 2018-12-15
Is the “EU Model” Relevant to Other Regions?
MERCOSUR, ASEAN and Adoption of Regional Policy

Ken MASUJIMA

2013
GRADUATE SCHOOL OF LAW, KOBE UNIVERSITY
ROKKODAI, KOBE, JAPAN
No.47
Is the “EU Model” Relevant to Other Regions?
MERCOSUR, ASEAN and Adoption of Regional Policy

Ken MASUJIMA

The EU is often considered as a model of regionalism in other regions of the world. In 2000, the then European Commission President Romano Prodi stated:

Our European model of integration is the most developed in the world. Imperfect though it still is, it nevertheless works on a continental scale. Given the necessary institutional reforms it should continue to work well after enlargement, and I believe we can make a convincing case that it would also work globally.

While studies by European integration specialists tend to consider the EU as a model of regionalism, in the literature on comparative regionalism, this optimistic appreciation of the EU model has not been shared. Indeed the recent scholarly tendency to synthesize hitherto divided European studies per se and comparative regionalism emphasize that the EU is not an endpoint for regionalisms in other parts of the world.

This article tries to analyze the place of development in today’s regionalism on the world stage. The EU’s policy in the field (Regional Policy or Cohesion Policy) is a forerunner and the most developed of the sort. The focus of analysis is regional public policy to deal with the question of development within a region in the world. These regional public policies are usually set up in the process of regional integration to deal with asymmetries within a region. This article argues that in this policy domain as well, contrary to the often held

---

1 This article is based on a paper presented to the 7th ECPR (European Consortium for Political Research) General Conference held in Bordeaux, France, on September 4-7, 2013. This research was made possible by financial support given by the Abe Fellowship managed jointly by the Social Science Research Council (US) and the Japan Foundation (Japan). The responsibility for the content of this article is solely of the author.

2 For the sake of simplicity, this article uses the term “EU” to describe the European Union and all of its predecessor organizations back to the Treaty of Rome (1957).


5 Although the EU refers to its Regional policy as Cohesion policy especially since the Maastricht Treaty which took effect in 1993, both appellations are still used interchangeably by the EU. This article follows this practice by using the two appellations interchangeably.
belief that the EU presents a model to be followed by other regions of the world, other regions (in our case, MERCOSUR and ASEAN which adopted regional schemes for dealing with asymmetries) eschew mention of the EU in their policy discourses. Why this is so constitutes a major puzzle underlining this article.

In what follows, the question of how development has been analyzed in the literature will first be briefly reviewed. Next, background conditions surrounding the adoption of regional public policy to tackle asymmetries will be analyzed. In the final section of this article, the question as to whether the EU “model” is relevant in MERCOSUR and ASEAN will be examined.

1. Role of Development in Regionalism

(1) Review of literature

In order to see a broader picture of where the question of development is located in the literature on regionalism, a brief review of research on regionalism which sheds light on development is in order.

1) Developmental regionalism

Hettne is one of the first to systematically investigate the relations between development and regionalism. Hettne’s focus is on macro-level relations between regionalism and development. Exceptionally he also mentioned the central place of development in the consideration on regionalism in Africa (unlike other regions, the development question is most pressing in Africa). However, he gives only a passing mention about regional redistribution in the context of what he terms “developmental regionalism”. He does not dwell upon the question of regional asymmetries or the role that development policy can play in regionalism.

2) Trade and non-trade cooperation

Among various arguments by economists, the distinction between trade and cooperation components is pertinent for our purposes. Devlin, Estevadeordal, and Krivonos put forward the classification of North-South regional arrangement based on trade and cooperation components. According to their study, regional cooperation can be divided into trade-related cooperation (T) and non-trade cooperation (C). It is usually the case that successful trade related cooperation (T) leads to non-trade cooperation (C). This is the case with

---

the EU, which started first as an attempt at creating a customs union. The opposite case is non-trade cooperation (C) leading to trade (T). The case of ASEAN fits into this schema, since ASEAN started as a grouping for the purposes of political cooperation. It is interesting to note that both the EU and ASEAN today have (T) and (C). There is another case where regionalism started involving both (T) and (C): MERCOSUR fits with this model.

As can be expected, the kind of regional policy to tackle asymmetries can be found in (C). In the cases under review here (EU, MERCOSUR, and ASEAN), all end up being (T) and (C) despite coming through different trajectories. Today it may be that (C) is taken without necessary economic foundations. This may imply that in today’s regionalism, cooperation does, of necessity, have economic underpinnings.

3) Typology of South-South regional integration

Another economic study is by Langhammer. He presents two types of pure South-South regional integration: 1) Asian type, and 2) Latin American-African type. The Asian type is characterized by being informal and avoiding contractual commitments. The Latin American and African type is more contractual and formal. It is no wonder that the European experience was sought after and studied with intense interest in this second type of regional integration.

According to Langhammer, in Asia and Latin America, responsibility for regional policy is assumed by the Asian Development Bank (ADB) and the Inter-American Development Bank (IDB) respectively.

4) Importance of pre-existing economic structure

A recent study of comparative regionalism by Krapohl and Fink is pertinent for our purposes here. They point to the need to analyze background conditions of regional integration in the developing world in order to bridge European integration studies and comparative regionalism. They present three types of regional integration based on economic structure: 1) Industrialized regions characterized by high intra-regional interdependence (EU type), 2) Developing regions without asymmetries characterized by high extra-regional interdependence and limited economic asymmetries (ASEAN and

---

9 It is interesting to note in this regard that in what is often referred to as the new regionalism of the 1990’s, non-trade cooperation was mostly ignored except for the hangover of the ANDEAN Community. Devlin and Giordano, “The Old and New Regionalism: Benefits, Costs, and Implications for the FTAA”, in Antoni Estevadeordal, Dani Rodrik, Alan M. Taylor, and Andrés Velasco eds., Integrating the Americas: FTAA and Beyond (Harvard University Press, 2004), especially pp. 152-153.


CARICOM: Caribbean Community type), and 3) Developing regions with asymmetries characterized by high extra-regional interdependence and high economic asymmetries (SADC: Southern African Development Community and MERCOSUR type).

The empirical conclusion of this study is daunting. Regional integration basically reinforces pre-existing economic structures. Thus South-South regional integration of the asymmetrical type (SADC and MERCOSUR) should end up reproducing extra-regional interdependence and high levels of asymmetry.

This necessarily brief review of the literature suggests some of the important points in analyzing regional public policy to tackle intra-regional disparities. First, as Hettne mentions, this issue is to be situated within a larger framework of developmental regionalism. Second, the structural characteristics of regional integration need to be analyzed, according to the various types of integration presented above.

(2) Rationales for regional policy

Following this review of literature, we now turn to the analysis of regional policy. The most famous example of regional policy is the EU’s Cohesion policy. The compensatory regional transfer mechanism has been introduced, following the example of the EU, in numerous other regional institutions, including MERCOSUR and CARICOM. ASEAN is following suit, but reflecting its non-binding style as identified by Langhammer, in a piecemeal way.

There are several justifications for such financial transfer mechanisms. We can list the following: 1) an economic rationale, 2) side-payments, 3) regional social policy, and 4) regional public goods.

1) Economic rationale

Economists identify at least the following four mechanisms whereby regional integration brings about regional disparities.12

a) Trade liberalization disequalizes factor production prices. This can encourage factor mobility, which may bring about factor outflow and a consequent decline in per capita income.

b) Preferential reduction of tariffs which may carry with it the risk of trade diversion. If the costs are distributed unevenly, inequalities between them can increase and some territories may experience a real decline in income.

c) Location of firms in imperfectly competitive industries may lead to relocation of some sectors under trade liberalization. This creates disparities in

---

wages between the regions.

d) A cumulative causation mechanism according to which integration may lead to concentration of economic activities due to efficiency, advantages of thick labor markets, linkages between firms, and provision of business infrastructure. This will favor the established center at the expense of the periphery.

It is said that the EU’s Cohesion policy is based on the above insights from economic geography. Above all, the “new economic geography’ with its emphasis on geographical concentration of economic activities due to regional integration constitutes a theoretical underpinning of European Cohesion policy.13

2) Side payments

It is asserted in many studies on EU Regional policy that one of the motives (if not the most important) has always been to ease the concern held by less developed new member countries toward regional integration. The ERDF (European Regional Development Fund), which was the first organized step of European Regional policy, was set up as a result of the threat by Italy and Ireland to boycott the 1974 Paris Summit unless compensatory measures were taken.14 From the beginning, EU Regional policy was conceived as a means of side payment rather than a substantial development policy.

3) Regional social policy

Bob Deacon has been promoting studies on global social policy. He identifies three levels of what he terms “global social policy”: national, regional, and global. Deacon et al mention European Regional policy and other similar regional development policy in connection to regional social policy.15

It should be remembered that while EU Regional policy should be considered as a form of development policy (with its emphasis on infrastructure projects), it also contains many elements which are more usually within the domain of social policy (such as measures to deal with unemployment, social exclusion).

4) Regional public goods

There have been attempts by Sandler to define “regional public goods”.16
A pure public goods is characterized by its benefits being non-rivalrous and non-excludable. Intervention by regional organizations is required to adequately provide such goods which member countries do not have the incentives to provide.

Regional policy can be justified as contributing to regional public goods (reducing regional disparities and increasing regional solidarity) under this heading.

This approach has been employed more often in connection with regional development banks (ADB, IDB), but should apply to other regional organizations’ public policy.

2. Background Conditions Leading to the Adoption of Regional Policy

(1) Evolution of EU Regional policy

The literature on the EU’s Cohesion policy abounds. For our purposes here, it suffices first to sketch a brief historical outline of the policy. However, in order to elucidate the factors and forces which produced actual policy, a rather detailed review of historical studies on the evolution of EU Regional policy is in order.

-The Treaty of Rome (1957)

At the start of the European Community, the problem of regional disparity was already on the minds of policy makers of the time. However, the Rome treaty of 1957 largely ignored the question.\(^{17}\)

In the Treaty of Rome, the preamble read: member states wish to “strengthen the unity of their economies and to ensure their harmonious development by reducing the differences existing between the various regions and the backwardness of the less favoured regions”. Besides, 1) Article 2: putting the above as one of the official goals of the EEC, 2) Article 130: assigning to the European Investment Bank the task of financing the improvement of the least developed regions, 3) Protocol on Italy\(^{18}\), and 4) Article 158 (“The Community shall aim at reducing disparities between the

---

\(^{17}\) Michael Hodges and William Wallace eds., *Economic Divergence in the European Community* (London: Published for the Royal Institute of International Affairs by George Allen & Unwin, 1981), pp. 205-206. The issue of convergence was there from the time of the Treaty of Rome and even before. However, since the differences in stance on economic policy between France and Germany were large, and the question as to who would assume the burden of developing Mezzogiorno was not solved, the negotiators thought it better to leave it to later. This is why the question appears only in the preamble of the treaty.

levels of development of the various regions”)\textsuperscript{19}, were nonetheless inserted.

Favorable economic conditions led to a hope that divergence would automatically be solved. These conditions, however, had disappeared by 1980. German success in adapting to the changing world economic conditions after the 1973 and 1978 oil shocks in contrast to the relative failure of Britain and Italy shattered the hope of market integration bringing benefit to all.\textsuperscript{20}

-ERDF (1975)

It was in this context that the ERDF came into existence. Husson points out that it was in fact thanks to the British that the ERDF saw the day.\textsuperscript{21} They feared that the EU budget support for agriculture will benefit French farmers more than their own. The UK supported the Commission and Italian proposal to set up a new regional funding mechanism which had hitherto been rejected. The quota of 40\% for Italy and 28\% for the UK was set up by the member countries. The whole mechanism of the fund was well controlled by states: EU contributions were only to be given to projects submitted by states and according to pre-established national quotas; eligible zones were established by states and not by the Community; priority areas corresponded to states priorities. The Commission’s only task was to check if the bills submitted by the states conformed to technical criteria.\textsuperscript{22}

Two different positions were visible: 1) the complementarity approach (France), favoring national policy and reducing Community aspects, 2) the concentration approach (Italy and Ireland), with a concentration of resources on unfavored regions. The final outcome was a compromise of the two positions.\textsuperscript{23}

-Reform of 1988

It was largely in response to the introduction of the Single Market, that an overhaul of regional policy was introduced in 1988. The fear that the Single Market would bring more disparity especially to disadvantaged regions was widely shared. The entry of new members, Greece (1981), Portugal and Spain (1986) exacerbated the existing disparity (Greece’s GDP per capita was 52 per cent of the EC average).\textsuperscript{24}

With the reform of 1988 (revised in 1993 with the creation of Cohesion Funds), European Regional policy was profoundly reorganized and rationalized. New objectives were created (five objectives) according to which the eligibility of countries and regions was defined.\textsuperscript{25} In the process, member states’ powers


\textsuperscript{20} Hodges and Wallace, Economic Divergence..., p. 213.


\textsuperscript{22} Ibid.

\textsuperscript{23} Varsori and Mechi, “At the Origins of …”, pp. 245-246.


\textsuperscript{25} After the revision of the principle of concentration in 1999, these objectives were reformulated as the following three objectives: 1) Objective 1: Promoting the development and structural adjustment of regions whose development is lagging behind, 2) Objective 2: Supporting the economic and social conversion of areas for facing structural difficulties, and 3) Objective 3: Adapting and modernizing policies and systems of education, training, and employment.
were curtailed to the benefit of the Commission.

The historical evolution of EU Regional policy seems to shed light on two principal factors which brought about actual policy developments: enlargement and phases of regional integration. The historical contingency of present day EU Regional policy leads the way towards the two-fold model of EU Regional policy that is presented below.

(2) Two different models of EU Regional policy

We can actually speak of two different models of EU Regional policy, derived from its historical evolution.

1) the specific-dispersed model

This is the model adopted during 1975-1988. It is characterized by specific sector intervention without coordination and means. Member states dominated planning as well as implementation. Policy was meant more as an interstate bargaining process to adjust contributions (side-payments) than as a real regional development policy. The process is thus inter-governmental.

2) the structural-concentrated model

After the profound reform of European Regional policy, we can discern a different model of regional policy. Its characteristics are structural (not only the ERDF but other structural funds-the EAGGF (European Agricultural Guidance and Guarantee Fund) Guideline Section and the European Social Fund-are coordinated and concentrated (with priorities and objectives). It is based on the principles of a) territorial and financial concentration, b) programming, c) partnership, and d) additionality. The process can be characterized as multi-level governance (the Commission, the member states, various levels of regional and local authorities). 26

It seems to us that when we talk about EU models of regional policy, we should actually conceptualize these two different models, detached for analytical and comparative purposes from historical circumstances.

3. Is the EU “Model” Relevant to Other Regions?

There are abundant studies on the central place that the EU experience occupies in the study on comparative regionalism. More specifically the literature on policy transfer often makes an implicit assumption that in the field of regionalism the EU is the reference from which to judge and measure the

26 Socio-economic partners were to be added by the reform of 1993.
pace and degree of regionalism in the world.

There are a number of studies of regionalism around the world which take up the question of whether the EU model in regional policy can be applicable to the region in question. The views of these studies on whether the EU model should be followed differ as we shall see below.

However, the contention here is that we should really talk about two different models of EU Regional policy when referring to European experiences. We shall come back to this basic assertion in the final section.

The case of MERCOSUR is taken up here, since MERCOSUR created, as we have seen, a regional mechanism to deal with disparities. The case of ASEAN shall also be analyzed, but due to lack of literature, in a brief way.

(1) MERCOSUR and European experiences of regional policy

In the studies on the problem of social cohesion in Latin America, some researchers promote the idea that the EU and Latin American regional organizations (MERCOSUR etc) undertake a multilateral cohesion policy. As was the case with the Treaty of Rome (which however included a mention of asymmetry), priority was put on increasing competitiveness, and in the case of MERCOSUR, especially of the two largest founding economies, Brazil and Argentina. It was in 2003 that Paraguay, the smallest country in MERCOSUR which had been losing economic ground since the launch of MERCOSUR in 1992, had formally made a proposal for addressing asymmetries in MERCOSUR. The Decision 27/03 (mandating a study on the establishment of structural funds) led to the setting up of a Structural Convergence Fund at the December 2004 Presidential Summit Meeting. Its importance lies in it being an act of political symbolism rather than one of economic significance since the amount involved was very limited (100 million US dollars).

The differences surrounding MERCOSUR and the EU in adopting regional policy are considered to be significant. One prominent author puts the following four differences which separate the EU from MERCOSUR:

29 Ibid., p. 369.
1) The four member countries of MERCOSUR are all developing countries with limited resources for transfers.\(^{30}\)

2) Internal inequality is serious (the poorest region is in the largest country, Brazil, and per capita income of one of the smallest countries, Uruguay, is higher than the regional average) so distributional matters are conflict prone.

3) The case for interregional cohesion has played only a secondary role in the regional discourse.

4) Member states (especially Brazil) have shown strong resistance to centralization of community (MERCOSUR) authorities.\(^{31}\)

These are indeed serious obstacles for any proponent to apply and implement a European “model” of regional policy.

(2) ASEAN and European experiences of regional policy

ASEAN is striving to realize the ASEAN Economic Community (AEC) in 2015, the blueprint of which was adopted by ASEAN leaders in 2007. According to this blueprint, the AEC is to be composed of four pillars, 1) a single market and production base, 2) competitive region, 3) equitable economic development, and 4) integration into the global economy. The question of regional economic disparities concerns mainly the third component, equitable economic development.

The developmental gap within ASEAN has widened dramatically since the entry in the late 1990s of the three Indochinese countries, Vietnam, Laos, and Cambodia, and Myanmar (CLMV). The “ASEAN divide” thus refers to developmental gaps between six ASEAN member countries (ASEAN-6: Indonesia, Malaysia, Singapore, Thailand, the Philippines, and Brunei) and the CLMV countries. Thus in 2004, the biggest gap in terms of GDP per capita within ASEAN was 152 times, between Singapore (US$25,207) and Myanmar (US$166).\(^{32}\) This gap was more important in ASEAN than in MERCOSUR.

ASEAN leaders were quick to realize that the ASEAN Free Trade Area (AFTA) would worsen the already wide existing gap between the original ASEAN-6 and the CLMV. They launched the Initiative for ASEAN Integration (IAE) in November 2000 to bridge the gap between the ASEAN-6 and the CLMV in the field of infrastructure development, information and communication technology, human resource development, and promoting

---

\(^{30}\) Venezuela became the fifth member of MERCOSUR in 2012.

\(^{31}\) Ibid., pp. 369-370.

regional economic integration. The Hanoi Declaration on Narrowing the Development Gap for Closer ASEAN Integration was issued at the end of the Ministerial Meeting in Hanoi in 2001.

In official ASEAN documents sub-regional arrangements are mentioned as part of ASEAN’s regional development initiative. They include not only ASEAN Mekong Basin Development Cooperation (AMBDC) initiative, but also the Greater Mekong Sub-region (GMS) and Ayeyawadi-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS) which were originally started as non-ASEAN activities (involving Mekong Basin countries and non-ASEAN members such as China and the ADB). It shows the dispersed character of ASEAN’s regional policy, in which no central organ is in charge of regional policy.

As the pace of ASEAN integration accelerates (demonstrated by AFTA in 1992, and the ASEAN Economic Community blueprint in 2003), there are increasing references to European experiences. The Secretary-General of ASEAN acknowledged this in 2007: “Community building is an ambitious task. Undertaking this with an eye to a deadline on eight short years away can be a daunting challenge. It is by no accident that ASEAN has been looking at the European Union’s rich experience as we map out our own plans for becoming a Community by 2015.”

However, the same Secretary-General cautions against taking the EU as a model: “We are not looking to take the EU model lock stock and barrel. We simply cannot. The very nature of ASEAN as an intergovernmental organization differs from that of the EU”. But according to him, the EU has “good ideas and best practices” that ASEAN is looking for. He cites three such tasks: 1) the need for ASEAN to become a more rules-based organization, 2) narrowing the development gap, and 3) cultivating a stronger sense of an ASEAN identity. On the second point of narrowing development gap, he refers in particular to the role of the EU’s “Structural Fund” and the European Bank for Reconstruction and Development (EBRD).

The main challenge for ASEAN to work toward reducing regional asymmetries is identified as a “lack of resources”. Unlike the EU, the ASEAN-6 countries which are expected to contribute are not economically prosperous except for Singapore and Brunei. This is one reason why development assistance from outside is often called for in ASEAN’s official documents.

33 Ibid.
36 Salazar and Das, “Bridging the ASEAN...”
What can we say about the relevance, if not applicability, of EU experiences to other regions of the world from the analysis with regard to MERCOSUR and ASEAN so far?

If we compare the EU’s Cohesion policy as it stands today with other regional policy efforts in other regions around the world, it would appear that the kinds of objectives, principles, institutions, and background policy frameworks of the EU cannot easily be modeled by other regional organizations. The general framework policy conditions (especially competition policy regulating state aid) surrounding regional policy need to be singled out as contributing to discipline and making the policy more efficient. Also as one former EU official put it to the author of this article, without the supra-national secretariat (the Commission), successful regional policy cannot be put in place in other regions of the world.

This seems to give credit to those who argue that the EU was a special case. It is a supra-national organization. The EU is composed of more or less homogeneous countries. There is no important gap among the member countries. The EU is in the North and the situations in the South are different. 37

This is indeed a significant hurdle for regionalism in other parts of the world. Without going into polemics with these often-made assertions, if we pay more attention to historical evolution of the EU experiences, as we have seen, there is not only one EU “model”. In the case of regional policy, there are actually two “EU models”. Thus what is relevant for MERCOSUR and ASEAN is not the structural-concentrated model of today’s Cohesion policy. The specific-dispersed model of the original ERDF (before the 1988 reform), with intergovernmental bargaining in planning and implementation, should sound more familiar and useful to the leaders of MERCOSUR and ASEAN.

The reformulation as EU “models” based on its historical evolution gains further practical importance given a hidden political function that the EU performs in today’s world. As soon as the leaders of other regions of the world hear the term “EU”, their immediate reaction is to insist that the EU is different. This is because the EU performs a political function in other parts of the world of actually frightening policy makers. The EU is frightening because it seems to cast doubt on the viability of member states’ power and prerogatives. 38

Under these conditions, it seems pertinent to point out that the history of

---

37 For a convincing argument that dealing with asymmetries is inherently more difficult in developing countries than in developed countries, see Alice N. Sindzingre, “Constraints on Convergence Policies in Low-Income Countries: the Limits of Developmental Regionalism”, a paper presented to the 7th ECPR (European Consortium for Political Research) General Conference held in Bordeaux, France, on September 4-7.

38 The author interviewed a former official of the Secretariat of MERCOSUR who stated that reference to the EU was not all appreciated by member governments. For an interesting account of how integrationists (almost “supra-nationalists”) within the MERCOSUR Secretariat lost out to member states jealous of their sovereign prerogatives, see Olivier Dabène, The Politics of Regional Integration in Latin America: Theoretical and Comparative Explorations (New York: Palgrave Macmillan, 2009), pp. 94-101.
What can we say about the relevance, if not applicability, of EU experiences to other regions of the world from the analysis with regard to MERCOSUR and ASEAN so far?

If we compare the EU’s Cohesion policy as it stands today with other regional policy efforts in other regions around the world, it would appear that the kinds of objectives, principles, institutions, and background policy frameworks of the EU cannot easily be modeled by other regional organizations. The general framework policy conditions (especially competition policy regulating state aid) surrounding regional policy need to be singled out as contributing to discipline and making the policy more efficient. Also as one former EU official put it to the author of this article, without the supra-national secretariat (the Commission), successful regional policy cannot be put in place in other regions of the world.

This seems to give credit to those who argue that the EU was a special case. It is a supra-national organization. The EU is composed of more or less homogeneous countries. There is no important gap among the member countries. The EU is in the North and the situations in the South are different. This is indeed a significant hurdle for regionalism in other parts of the world. Without going into polemics with these often-made assertions, if we pay more attention to historical evolution of the EU experiences, as we have seen, there is not only one EU “model”. In the case of regional policy, there are actually two “EU models”. Thus what is relevant for MERCOSUR and ASEAN is not the structural-concentrated model of today’s Cohesion policy. The specific-dispersed model of the original ERDF (before the 1988 reform), with intergovernmental bargaining in planning and implementation, should sound more familiar and useful to the leaders of MERCOSUR and ASEAN.

The reformulation as EU “models” based on its historical evolution gains further practical importance given a hidden political function that the EU performs in today’s world. As soon as the leaders of other regions of the world hear the term “EU”, their immediate reaction is to insist that the EU is different. This is because the EU performs a political function in other parts of the world of actually frightening policy makers. The EU is frightening because it seems to cast doubt on the viability of member states’ power and prerogatives. Under these conditions, it seems pertinent to point out that the history of the EU is not just one of supra-national region-building.39

---