Power Preponderance, Institutional Homogeneity, and the Likelihood of Regional Integration

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Introduction

- Review the political science literature on regionalism

- Synthesize reliable theories into a general theory of regional integration

- Provide a preliminary method of hypothesis testing

What is Regionalism?

- A shifting of certain national activities toward a new center (Haas 1958).

- An "evolution over time of a collective decision making system among nations." (Lindberg 1970)

What is Regionalism?

- "A series of voluntary decisions by previously sovereign states to remove barriers to the mutual exchange of goods, services, capital, or persons" (Smith 1993)

- The degree of market merger among states

What is Regionalism?

- The establishment of regular collective decision making among states for the intention of establishing and regulating market flows.

- Intergovernmental

- Supranational

Regionalism Research

- Neofunctionalism
    - Functional needs
    - Failure of the nation-state
    - Spillover
    - *Post Hoc* Theory

Regionalism Research

- **Institutionalism**
  - The role of supranational institutions
  - Role of supranational institutions outside of the European Union

- **Homogeneity of domestic institutions**

Regionalism Research

- Power Theories
  - The Pauperism of Neorealism
  - Defensive Realism
  - Hegemonic Stability Theory
  - Power Transition Theory

Regionalism Research

- Intergovernmentalism
  - Interest Group Politics
  - Two-level Games
  - Preferences of Leaders

A General Theory of Regionalism

Preponderance*_Status Quo_ Satisfaction ➡ Homogeneity ⟳ Integration
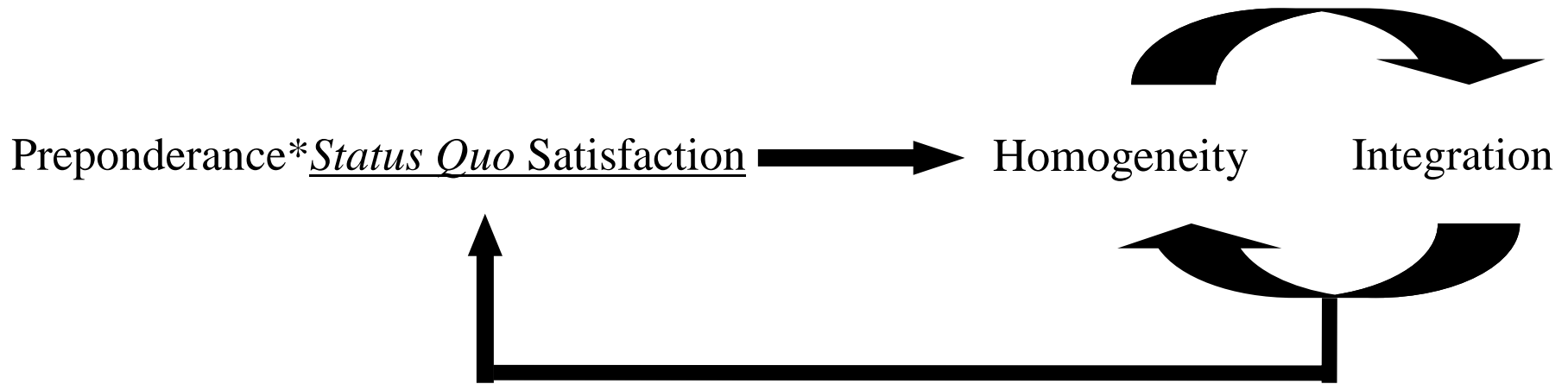
Hypotheses

- (Preponderance*SQ Satisfaction) Homogeneity   Integration

- (Preponderance*SQ Satisfaction) Integration   Homogeneity

- Homogeneity   Integration   SQ Satisfaction

- Integration   Homogeneity   SQ Satisfaction

Empirical Testing

- Unit of analysis

- Econometric Method

- Quantifying the Variables

Measuring Regionalism

- Integration Achievement Score
  - Systematic
  - Global
  - Attributes of Integration

Categories of the IAS

- Trade in Goods and Services
- Capital Mobility
- Labor Mobility
- Supranational Institutions
- Monetary Policy Coordination
- Fiscal Policy Coordination

Trade in Goods and Services

- 0 = No agreements made to lower tariffs and non-tariff barriers
- 1 = Preferential Trade Agreement
- 2 = Partial Free Trade Area
- 3 = Full Free Trade Area
- 4 = Customs Union
- 5 = No barriers among member countries

Measuring Power Preponderance

$$PP = \frac{GDP_i}{\sum_{j=1}^{j} GDP_j}$$

Measuring SQ Satisfaction

$$SQSatisfaction = \frac{\sum Exports}{\sum GDP}$$

Measuring Homogeneity

- Money and Inflation
- Government Regulations
- Taxation
- International Exchange
- Standard Deviation

Next Steps

- Run Analysis

- Use Parameters for Simulations

- Run Forecast Models