

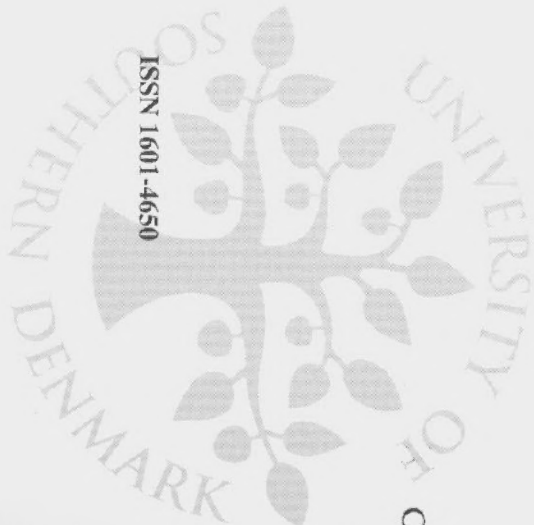


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Institutional Requirements  
for Regional Economic Integration:  
A Comparative Perspective on the EU, the Americas  
and East Asia

by

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# Institutional Requirements for Regional Economic Integration: A Comparative Perspective on the EU, the Americas and East Asia

Finn Laursen

## Abstract

*This paper discusses the importance of institutions for successful international economic integration comparing the EU with NAFTA and the ASEAN Free Trade Area (AFTA) as well as some other regional integration schemes. Taking the point of departure in neo-liberal institutionalist theories of international regimes and rational theories of international integration, especially the contributions by Moravcsik and Matti, the respective institutional designs of EU, NAFTA and AFTA are compared. The question is asked: Can both 'supranational' institutions à la EU and less supranational and more 'intergovernmental' institutions à la NAFTA and AFTA create 'credible' commitments? The answer seems to be yes to a certain extent for NAFTA but less so for AFTA. A brief comparison with other integration schemes such as APEC suggests that a certain legal formalization is necessary to 'lock-in' liberalization and limit defection. Further, it is noted that the EU has moved much beyond a free trade area (FTA) to create an internal market, an Economic and Monetary Union (EMU) and a number of common policies. These common policies, especially the Structural Funds allow for some redistribution.*