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UNIVERSITY OF WITWATERSRAND
DEPARTMENT OF INTERNATIONAL RELATIONS

THE INTERFACE OF MULTILATERALISM AND REGIONALISM WITHIN THE WORLD TRADE ORGANISATION: CONTEXTUALISING THE NEW PARTNERSHIP FOR AFRICA'S DEVELOPMENT

Submitted for the fulfilment of PhD (INTERNATIONAL RELATIONS)
By Dissertation

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BY

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DECLARATION

I declare that this research is my own, unaided work. It is being submitted in fulfilment of a doctoral degree in International Relations at the University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in any other university.

Signed at _____ on this _____ day of _____

DEDICATION

To all the abused women.

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ABSTRACT

The research attempts to contextualise the African Union/New Partnership for Africa's Development (AU/NEPAD) within the current trends in the international political economy by studying the historic and legalistic approaches to trade-centred regionalism, plurilateralism, multilateralism, and their relation with developmental regionalism. The study argues that the proliferation of regionalism and plurilateralism is a result of the operational weakness of the World Trade Organisation (WTO) in dealing with increasing membership and therefore issues areas, and especially the loopholes in the regional trade agreements (RTAs) regulation. For example, in the WTO provisions for establishing RTAs, the interpretation of "substantially all trade"[1] and the Enabling Clause do not provide a percentage to be covered nor to be excluded. Besides, the multilateral trade institution does not differentiate between plurilateralism and regionalism.

The AU/NEPAD is a response to the uncertainties of the multilateral trade regime and seeks to promote economic development and regional integration in Africa. Though the study is informed by theoretical and intellectual arguments, it is also guided by practical economic policy questions and development concerns. Hence it explains the shift from the Lagos Plan of Action (LPA) to NEPAD in terms of ideological orientation. The study argues that NEPAD suggests "reformed" developmental regionalism and calls for plurilateralism in the form of North-South partnerships that favour the economic weaknesses of developing countries and advocates strategic linking into the multilateral trading system stream characterised by interdependence.

The research concludes that NEPAD portrays a tripartite approach to economic development in the region. The first part is developmental regionalism, where NEPAD strives for collective self-reliance through "strategic linking", hence the "new

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[1] Report (1998) Of The Committee on Regional Trade Agreements To the General Council, WT/REG/7; http://www.itd.org/forums/7.doc

partnership" as opposed to "de-linking" envisaged by conventional developmental regionalism. The second part of NEPAD's approach is plurilateralism, in which it realises that inter-continental south-south cooperation is best utilised in bargaining and negotiations setting, whereas in areas of practical economic development it promotes north-south arrangements. It favours bilateralism or plurilateralism with the developed countries and emerging economies. The third part is with regards to multilateralism; where NEPAD's goals are consistent with those of the WTO. Yet the multilateral trade regime does not fully cater for NEPAD since it does not cover the developmental regionalism aspect of the programme. Hence this research is based on the hypothesis that the clash between trade-centred regionalism within the multilateral trade regime could have a negative impact on developmental regionalism in the South

The thesis tests the hypothesis by looking at the current trends in international political economy and examines how they comply with the rules and principles of the WTO. The interaction of multilateralism, plurilateralism and trade-centred regionalism with developmental regionalism is analysed in order to assess the impact that these trends have on developmental goals of the South. In an attempt to establish the nature and objectives of developmental regionalism, the thesis also looks at the status of developing countries especially Africa within the multilateral trade system. NEPAD is portrayed as "reformed" developmental regionalism that tries to reconcile liberalism with the developmental goals of Africa.

LIST OF ACRONYMS

AAP	Africa Action Plan
ACP	African, Caribbean and Pacific Group of States
AEC	African Economic Community
AGOA	Africa Growth and Opportunity Act
ALADI	Latin American Integration Association
AoA	Agreement on Agriculture
APEC	Asia Pacific Economic Cooperation
APRM	African Peer Review Mechanism
ASEAN	Association of East Asian Nations
ASEM	Asia-Europe Meeting
ATC	Agreement on Textiles and Clothing
AU	African Union
CAADP	Comprehensive African Agriculture Development Program
CAF	Canada Africa Fund
CAP	Common Agriculture Policy
CARICOM	Caribbean Community
CEMAC	Communauté Economique et Monétaire de l'Afrique Centrale
CENSAD	Community of Sahel-Sahara States
CFA	French African Community
CIFA	Canada Investment Fund for Africa
CMEA/COMECON	Council for Mutual Economic Assistance
COMESA	Common Market for Eastern and Southern Africa
CRTA	Committee on Regional Trade Agreements
CU	Customs Unions
CUFTA	Canada-US Free Trade Agreement
DRC	Democratic Republic of Congo
DRTA	Developmental Regional Trade Arrangement

EALAF	East Asia Latin America Forum
ECCAS	Economic Community of Central African States
ECOSOC	Economic and Social Council
ECOWAS	Economic Community of West African States
ECSC	European Coal and Steel Community
EEC	European Economic Community
EU	European Union
EU-SADC REPA	European Union-Southern Africa Development Community Regional Partnership Agreement
FDI	Foreign Direct Investment
FLS	Front Line States
FTA	Free Trade Area
FTAA	Free Trade Area of the Americas
GATT	General Agreement on Trade and Tariffs
GDP	Gross Domestic Product
GMO	Genetically Modified Organisms
GSP	General System of Preferences
IGAD	Inter Government Authority on Development
IGOs	Intergovernmental organisations
ILO	International Labour Organization
IMF	International Monetary Fund
ITA	Information Technology Agreement
ITC	International Trade Centre
ITO	International Trade Organization
LAFTA	Latin American Free Trade Area
LDCs	Least Developed Countries
LSE	London School of Economics and Political Science
MERCOSOUR	Common Market of the Southern Cone
MFA	Multifibre Agreement
MFN	Most Favoured Nations

MNC	Multinational Corporations
MTNs	Multilateral Trade Negotiations
NAFTA	North America Free Trade Association
NAM	Non-Aligned Movement
NEPAD	New Partnership for Africa's Development
NRT	New Regionalism Theory
OAU	Organisation of African Unity
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OPEC	Organisation for Petroleum Exporting Countries
PAFMECA	Pan-African Movement for East and Central Africa
PAFMECSA	Pan-African Freedom Movement for East, Central and Southern Africa
PLTA	Plurilateral Trade Arrangements
PTAs	Preferential Trade Agreement
QR	Quantitative Restrictions
REC	Regional Economic Communities
RTAs	Regional Trade Arrangements
SACU	Southern African Customs Union
SADC	Southern Africa Development Community
SADCC	Southern African Development Coordination Conference
SAIIA	South African Institute of International Affairs
SEA	Single European Act
SPS	Sanitary and Phytosanitary Standards
TNCs	Transnational Corporations
TRIPs	Trade Related Intellectual Property Rights.
UMA	Arab Maghreb Union
UN	United Nations
UNCDP	United Nations Committee for Development Planning
UNCTAD	United Nations Conference on Trade and Development

UNECA	United Nations Economic Commission for Africa
UR	Uruguay Round
US	United States of America
VERS	Voluntary Export Restraints
WAEMU/UEMOA	West Africa Economic and Monetary Union
WB	World Bank
WCA	West and Central Africa
WHO	World Health Organization
WTO	World Trade Organization

CHAPTER ONE

INTRODUCTION

This research is based on the hypothesis that the clash between trade-centred regionalism and the multilateral trade regime could have a negative impact on developmental regionalism in the South. This is because while trade-centered regionalism is an organized and institutionalized trade arrangement among developed countries, informed by market integration approach and global competition, developmental regionalism is an effort by developing countries to increase economic efficiency and development of the region and to improve its position in the world economy. Contrary to developed regions, regionalism amongst developing countries goes beyond trade regionalism to include economic and political development of member countries. The study classifies arrangements such as the Southern African Development Community (SADC), the Economic Community Of West African States (ECOWAS), the Common Market for Eastern and Southern Africa (COMESA) and the African Union/African Economic Community (AU/AEC) as examples of developmental regionalism and examines the assertion that the inherent contradiction between trade centred regionalism amongst Northern countries permitted within the multilateral trade regime, could have a negative impact on developmental regionalism.

By exploring the relationship between multilateralism and regionalism, this study looks at the history of regionalism and how it influences the multilateral trade system. This calls for an analysis of the rules and provisions in the General Agreement on Trade and Tariffs, now the World Trade Organisation (GATT/WTO), regarding regionalism. Specifically, the status of Regional Trade Agreements (RTAs) adopting developmental regionalism within the WTO is explored with the hope of highlighting the interplay and the role of developmental regionalism within the system. The study uses the AU as a case study of developmental regionalism and contextualises the New Partnership for

Africa's Development (NEPAD) as qualifying AU to be developmental regionalism, and as a reaction to trade-centred Northern regionalism, competitive plurilateralism (the trend that involves cross-continental trade arrangements among the developed and developing regions, often used confused with new regionalism) and the skewed multilateralism within the WTO.

In light of the above, drawing from the ideological debate on the relationship between multilateralism and regionalism, the study focuses on the history of regionalism in the trading system, the emergence of developmental regionalism, and the impact of plurilateralism on developmental regionalism. By adopting this historic and legalistic approach, the study hopes to answer the following questions:

- What has been the status of RTAs in GATT and now the WTO?
- How has regionalism evolved in the international system, and in particular among developing countries?
- What is the implication of the growing number of RTAs for the WTO?
- How do RTAs impact upon developmental regionalism?
- Would the new regional initiatives in Africa, particularly the New Partnership for Africa's Development (NEPAD), qualify the AU as developmental regionalism?
- If so, what is the possibility of these efforts clashing with the rules of the international trade regime?

RATIONALE

The questions in this study were triggered by the GATT's/WTO's advocacy of trade liberalization through multilateralism. However, trade liberalisation has not been multilateral, rather, it has increasingly been regional and plurilateral. The *WTO 2000b* estimates that between 50 and 60 per cent of global trade occurs in preferential arrangements. Moreover, despite the fact that the WTO has made provisions for the establishments of RTAs, and not withstanding the establishment of the Committee on Regional Trade Agreements (CRTA) in 1996 to ensure a complementary relationship between multilateralism and regionalism, there is no consistency of rules governing

individual RTAs with rules governing the multilateral system. While on one hand there is increasing structural strength within the multilateral trading system, there is an increasing move towards regionalism and plurilateralism as well, with all WTO members being partners in at least one RTA or plurilateral trade arrangement (PLTA) and several being part of two or more.[2]

Some RTAs have a higher status than others in the multilateral trading system. The direction of negotiations and agendas of multilateral trade is dominated by the interests of the core RTAs such as the European Union (EU) and the North American Free Trade Association (NAFTA). These are the RTAs that constitute the most global economic activity and wield more power in multilateral institutions like the WTO and the International Monetary Fund (IMF). Conversely, RTAs amongst developing countries contribute less to global economic activity and have less say in multilateral institutions. Developmental regionalism has evolved out of this power asymmetry in the international system. Consequently, political and economic development in developing countries is the main objective of developmental regionalism. This implies the betterment of economic and social conditions and a "redressing of the unequal relationship between the industrialised and the developing countries with respect to the distribution of economic and political power in the international system"[3]. This type of regionalism has been and still is a reaction to the continued sidelining of the concerns and interests of developing regions like Africa.

Though decision-making in the multilateral trade system is by consensus and generates hard law, Steinberg[4] has noted that the WTO rounds have been concluded through power-based instead of law-based bargaining. This strategy has yielded asymmetrical contracts

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[2] Doha Development Agenda: Symposium, 29 April-01 May 2002, http://www.org/english/traptop_e/dda_e/symp_devagenda_02_e.htm

[3] Andrew W. Axline, Carribean Integration: the Politics of Regionalism, (London: Francis Pinter Ltd.; 1979) p. 8

[4] Richard H. Steinberg, "In the Shadow of Law or Power? Consensus-Based Bargaining and the Outcomes in the GATT/WTO" International Organization 56 (2) Spring 2002, pp. 339-374

favouring the interests of the developed or more powerful states. He further postulates that agenda setting has been dominated by the powerful states to such an extent that even the conclusion of the rounds reflects power-based bargaining.[5] It is in this light that developing countries have sought to move towards developmental regionalism.

Furthermore, the WTO provisions for RTAs do not cater for developmental regionalism. Though it emphasises openness in international trade, GATT Article XXIV accommodates both open and closed regionalism. In protected regionalism or customs unions, common external tariffs are raised against goods imported from outside non-members. The EU is the best example of such an arrangement. On the other hand, plurilateralism (often referred to as open or new regionalism by the writers in the subject) implies the promotion of closer inter-regional ties, but without selective trade measures against non-members The Asia Pacific Economic Cooperation (APEC) is an example of plurilateralism.

Many regional arrangements amongst developing countries could fall into the category of developmental regionalism. SADC, COMESA, ECOWAS and AU/NEPAD are such arrangements. Their emphasis on economic and political development sets them apart from both open and closed regionalism. Their membership comprises of developing or less developed countries, which are often not competitive in the global economy. Nonetheless, the GATT Enabling Clause permitting preferential trade arrangements among developing countries does not guarantee the protection of these countries against the highly competitive economies in the global market.

It seems then that plurilateralism encompassing countries in RTAs across the global divide of the rich North and the poor South, such as the Regional Economic Partnership Agreements (REPAs) between the European Union and African regional organisations on the increase, becomes problematic for developmental regionalism. This is because developmental regionalism calls for slower external and faster internal trade liberalisation

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[5] Ibid

in order to tackle inequalities within member states and foster industrialisation. On the other hand, though the developed countries repeat the concern, their objective in engaging the developing countries in plurilateral arrangements is to foster trade liberalisation outside the confines of the said developing regions. It seems then that the two trends are contradictory in relation to developmental goals of the South. For example, the SADC Free Trade Agreement (SADC FTA) seeks to foster economic development and regional integration in Southern Africa by amongst other things, promoting intra-regional trade. Yet the European Union-Southern Africa Development Community Regional Partnership Agreement (EU-SADC REPA) proposes a free trade area between the two regions.

Furthermore, increasing plurilateralism renders the WTO ineffective as the regulator of international trade. South-South cooperation as envisaged by developmental regionalism is meant to be a bargaining tool in multilateral institutions like the WTO and the IMF. Plurilateralism, which encompasses countries with different and sometimes opposing interests in the system, would make it difficult for developing countries to strike a bargain. This is especially true in a system characterised by power considerations. This scenario has two negative consequences: first, it could erode multilateralism and entrench plurilateralism; second, for developing countries, it could mean further marginalisation of the least competitive economies in the global political economy. The stalemate in WTO can be viewed as a manifestation of plurilateralism.

NEPAD, the AU's internal socio-economic development plan and the continent's global integration strategy, has emerged out of this uncertainty in the global trading system. It could be seen as an effort to reconcile the theoretical and practical perspectives of developmental regionalism, plurilateralism and multilateralism as well as the interplay and impact of these trends on each other.

With regards to developmental regionalism, NEPAD aims to accelerate industrialisation, increase intra-Africa trade, and diversify production and exports. It emphasises "African-

owned and African-led development" programmes[6] and calls for acceleration of both regional and continental integration to tackle Africa's developmental needs. Regarding plurilateralism, NEPAD seeks to forge new partnerships with the industrialised countries by, among other things, ensuring changes in the unequal relationship between Africa and these countries, particularly in the international trade regime.

Furthermore, NEPAD acknowledges that multilateral rules are unfair and have increased the ability of the developed countries to "advance their interests to the detriment of the weak, especially in the areas of trade..."[7] Hence, in the Doha round of trade negotiations, it seeks to ensure recognition and provision for the continent's special concerns, needs and initiatives in future WTO rules. Despite supporting multilateralism, NEPAD promotes African regionalism through demands for a preferential trade system for intra-Africa trade.[8] Thus NEPAD becomes a necessary link between African economies and the outside world.

With the developments in the international political economy mentioned above, it is unlikely that the debate on the relationship between multilateralism and regionalism will simmer down soon. However, ensuring that multilateralism and regionalism as well as plurilateralism are mutually reinforcing is of great concern to many academics with respect to the course of the world economy. It is also the most urgent issue facing trade policy makers today in developing countries.

Though there is a vast body of literature on the relationship between multilateralism and regionalism, the debate on whether regionalism is a stumbling or building block to multilateralism persists. This debate is mostly triggered by the continuing proliferation of plurilateralism, thus making it difficult to reach conclusions on the relationship between the two phenomena, particularly since several new preferential arrangements such as the ASEAN (Association of East Asian Nations) "Plus Three" (APT), involving China,

[6] See NEPAD, para 60, www.au2002.gov.za/docs/key_oau/nepad2.htm - 88k

[7] Ibid, para 30

ASEAN countries, South Korea and Japan as well as ASEAN and Closer Economic Relations (CER)[9] agreement, are still being initiated.

This study aims to contribute to the debate on multilateralism and regionalism by exploring and analysing the evolution of regionalism and plurilateralism within the multilateral trading system and tries to contextualise NEPAD within these trends. In essence, by employing theoretical and intellectual arguments, the study seeks to address practical economic policy questions and political concerns, such as how the NEPAD relates to the trends characterizing international political economy. The theoretical and conceptual framework goes into detail on the nature of regionalism, plurilateralism and multilateralism, as applied to the research questions of this study.

CONCEPTUAL AND THEORETICAL FRAMEWORK

In order to contextualise NEPAD, it becomes imperative to have some working definitions of multilateralism, plurilateralism, trade-centred regionalism and developmental regionalism. Below is an attempt at clarifying these concepts.

Multilateralism

Multilateralism can broadly be seen as an institutionalised international cooperation that encompasses the exclusive regional and plurilateral as well as the inclusive global arrangements. The AU, EU, and ASEAN, are examples of exclusive regional arrangements, whereas the African Growth and Opportunity Act (AGOA) and EU-SADC REPA are exclusive extra-regional or plurilateral arrangements. In all-inclusive multilateral arrangements one might mention the WTO, and the IMF.

[8] Ibid para 171

Winters[10] sees multilateralism as a positive function of the degree to which discrimination is absent in a country, and the extent to which the country's trading regime approximates free trade. Yet Ruggie[11] defines the multilateral order as embodying "rules of conduct that are commonly applicable to countries, as opposed to discriminating among them, based on situational exigencies or particularistic preferences". Though it is security oriented, another definition of an institutional nature is the one by Job[12] that describes multilateralism as "a form of state practice, which accords with certain principles and involves the development of norms, collective identities, and institutions (formal and informal) concerning cooperation and conflict management over extended periods of time".

For purposes of clarity and applicability, this study will use a contextual definition of the concept of multilateralism, which will be confined within the framework of the international trade system. Synthesising the definitions of Winters, Ruggie and Job, one can simply define multilateralism for this research as non-discrimination or equal treatment of all trading partners based on the rules and principles set by member countries within WTO to regulate the international trade system. The definition of multilateralism adapted in this research would include economic regionalism, since it involves cooperation guided by the WTO provisions. Baldwin [13] defines (economic) regionalism as the policy designed to reduce trade barriers in a given region, which could

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[9] Free trade agreement between Australia and New Zealand

[10] L. A Winters, "Regionalism vs. Multilateralism", in Richard E. Baldwin et al (eds.), Market Integration, Regionalism and the Global Economy, (Cambridge: Cambridge University Press; 1999) p.8

[11] John Gerard Ruggie, "The Anatomy of an Institution", in John Gerard Ruggie (ed.) Multilateralism Matters: The Theory and Praxis of an Institution Form, (New York: Columbia University Press; 1993)

[12] Brian L Job, "Matters of Multilateralism: Implications for Regional Conflict Management", in David Lake and Patrick M. Morgan (eds.) Regional Orders: Building Security in a New World, (University Park, Pennsylvania: The Pennsylvania State University Press; 1998) p. 167

[13] L. A Winters, "Regionalism vs. Multilateralism", p. 8

be regarded as a stepping stone to multilateralism if it does not discriminate against non-members.

Since the focus of this study is on the relationship between multilateralism and regionalism, it will be useful to locate the concept of regionalism within the broader context of multilateral trade and multilateralism. In relation to multilateralism, regionalism can be trade cooperation based on given sets of rules and principles, which might be exclusive to a given region, and might or might not operate under the framework of the WTO provisions for RTAs. Hence, contrary to the multilateral trade system, RTAs are agreements of preferential treatment exclusive to members and discriminating to outsiders. Within this trend, there are developmental and trade-centred regionalisms.

Developmental Regionalism

Developmental regionalism began as a concerted effort by developing countries to limit dependency on developed countries. The Latin American Free Trade Area in the 1960s, (transformed into Latin American Integration Association-ALADI in 1981), the ASEAN in 1967 and the SADCC in 1980 (transformed to Southern African Development Community-SADC in 1992) are examples of this trend. It was influenced by the dependency theory and adopted import substitution strategies as part of "industrialisation by invitation", as Axline[14] puts it. With the current shape of the international political economy, where economic liberalism dominates every sphere of international economic activity, developmental regionalism has changed in relation to developmental strategies. It should, therefore, be understood within the doctrine of "limited" free trade, where politics has a major role to play in relation to development.

Since market incentives are often not conducive for broad based development, this trend in the South needs a higher degree of state intervention in the economy. In an effort to

[14] Ibid.

foster industrialisation in the region, state intervention is needed to protect infant industries that might otherwise be killed by extra-regional liberalisation. Thus developmental regionalism is more politically orientated than regionalism in the North. [15] Also, regionalism among developing countries foresees a greater possibility of success only if a relatively high level of political integration is undertaken at the outset". [16]

The purpose of developmental regionalism is to address the vast imbalances both within and between the countries of the region, and also an attempt to diversify regional economies and to enlarge the regional market. Generally, it is a "means to address pressing structural social and economic development needs".[17] Thus, a normative approach to the study of regionalism in developing countries would provide some guidance in studying the phenomenon. In that light, developmental regionalism should be seen as the "concerted effort of state and non-state actors within a geographic area to increase the economic efficiency and development of the region as a whole and to improve its position in the world economy".[18]

Trade-Centred Regionalism

Regionalism in the North is premised on economic integration than on political debate, since it adopts a market approach. It is also built upon existing economic structures and patterns, to reap benefits in the form of incremental increases in welfare. The market integration approach involves deep integration and is incremental. It implies that the free trade area would eventually lead to an even deeper integration in the form of an economic and political union.[19] The EU provides the best example of this trend.

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[15] Hettne, B., "Globalisation, Regionalism and the Europeanization of Europe", Politeia, Vol. 17(03) 1998, 106-112; Balassa cited in Haarlov

[16] Jens Haarlov, Regional Cooperation and Integration Within Industry and Trade in Southern Africa: General Approaches, SADCC and the World Bank, (Aldershot: Ashgate; 19); p. 30

[17] Soderbaum, "The New Regionalism in Southern Africa", Politeia, http://www.unisa. ac.za/dept/press/politeia/162fsoderba.html

[18] Fredrik Soderbaum, http://www.unisa.ac.za/dept/press/politeia/162fsoderba.html

From the developed countries' perspective, and specifically Western Europe, regionalism evolved because of the need to rebuild their economies after the destruction of the Second World War. Liberalism was seen as a way of promoting peace and security as well as economic development. Along the way of its evolution, however, Western European regionalism changed to be a reaction to the negative forces of interdependency. According to Spero[20], free trade and capital encouraged growth in international economic interaction among the Northern economies. This development, however, brought about sensitivity of the national economies to economic policies and events outside their national borders. Hence, Spero[21] concluded that the challenge to liberalism in the North grew out of its very success.

In addition, regionalism in the North could be seen as a reaction to the declining economic status in the international political economic arena. According to the *World Policy Research Bulletin*[22], after the Second World War, the US accounted for half of the global Gross Domestic Product (GDP). It could generate large benefits in the world economy by freeing its own trade. Hence it advocated worldwide free trade. During the 1960s, however, the European Community, Japan and the East Asian newly industrialised countries gradually emerged as major economic forces. The US international economic position gradually diminished.

In 1988, the US sought closer cooperation with Canada and established the Canada-US Free Trade Agreement (CUFTA), and in 1994 formed a North America Free Trade Association (NAFTA) with Mexico and Canada. The Summit of the Americas held in

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[19] Jens Haarlov, Regional Cooperation in Southern Africa: Central Elements of the SADCC Venture, CDR Research Report No. 14, Copenhagen, Centre for Development Research; 1988, p. 18-20

[20] See Joan Edelman Spero The Politics of International Economic Relations, (New York: St Martin Press; 1977) pp. 24-28

[21] Ibid

[22] World Policy Research Bulletin, http://www.worldbank.org/html/dec/publications/bulletins/PRBvol3no3.html

Miami in the same year endorsed the creation of the Free Trade Area of the Americas (FTAA). Therefore, one can assert that the US's u-turn from multilateralism towards regionalism seems to be a reaction to the declining economic status in the global arena. The US is now leading America towards continental regionalism.

However, the increase in regionalism has been compounded by the rise in plurilateralism. The developed countries and regions are competing against each other for access to the economies of the developing countries on one hand. On the other, the Southern countries seek to gain preferential entrée to the economies of the Northern countries. Plurilateralism is the trend that is fastly becoming characteristic of the current international political economy.

Plurilateralism

Some writers in this field have used the concepts of plurilateralism and new regionalism interchangeably. Yet plurilateralism is not confined to a specific region, but rather a crossing of regional boundaries. In some cases, one of the parties is an RTA itself, as in the EU-South Africa FTA, and sometimes it involves two regions, a reference can be made to the EU-Mercosour and EU-SADC. The trend is also characterised by individual countries at cross-continental distances, for instance, the AGOA links Sub-Saharan countries to the United States of America (US).

There are other groupings of this nature that operate inter-continentally, linking the peripheral regions with the core, such as the EU-led Asia-Pacific Movement (ASEM) and the US-dominated Asia-Pacific Economic Cooperation (APEC). ASEM is an informal establishment of dialogue and cooperation between the EU and ten Asian countries established in Bangkok in 1996.[23] APEC was formed in 1989, linking East Asian economies to those of North America and the rest of the American countries bordering

[23] Brunei, China, Indonesia, Japan, South Korea, Malaysia, the Philippines, Singapore, Thailand and Vietnam)

the Pacific Ocean.[24] Another kind of arrangement that has played a prominent role in the multilateral trade agenda setting, known as the Cairns Group[25], was established in 1986 by 18 agricultural exporting countries from different regions.

Theoretical Framework

Free trade derives from economic liberalism and informs regionalism, plurilateralism and multilateralism. According to the theory of free trade, there should be few legal constraints in international commerce. The object of policy-makers in all nations should be to free the movement of goods and services across national boundaries. It is only through free trade that the most efficient use of resources, labour and capital will be promoted.[26] The consequences would be "peaceful relations among nations because the mutual benefits of trade and expanding interdependence among national economies will tend to foster cooperative relations..."[27] The benefits associated with economic liberalism are both economic and political. The removal of trade barriers and other economic reforms generates economic growth because it promotes competition, improves resource allocation, attracts foreign capital and expertise and provides foreign exchange, among other benefits. The resultant political benefits acquired from free trade include growth of civil liberties and democratic governance.[28]

Based on Article 1 of the GATT, multilateralism is informed by the theory of economic liberalism in international trade. GATT's Most-Favoured Nation (MFN) principle states that no country should discriminate against different foreign nations in its trade policy.

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[24] Pedro B. Bernaldz "[A Moment, Please!] Regionalism: A Boon to Globalisation", http://www.hankooki.com/kf_op/200107/t2001070516341948110.html

[25] The countries are: Argentina, Australia, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Fiji, Guatemala, Indonesia, Malaysia, New Zealand, Paraguay, Philippines, South Africa, Thailand and Uruguay

[26] Burchill Scott et al, Theories of International Relations, (USA: St Martin Press; 1996) pp. 55-57

[27] Kegley; 2001; p. 252

This implies that a country's trade liberalisation cannot be applied partially to a selected group of "most favoured" nations alone. Such concessions or preferences should be extended to all parties of the GATT, which would mean that "most-favoured" nations would eventually cease to exist. [29] The WTO's objective is to improve the welfare of the peoples of member countries, which it strives to achieve through principles and regulations that include: non-discrimination, freer trade, predictable policies and encouraging competition.[30]

With regard to regionalism, trade liberalism is limited to member countries. The founders of GATT also recognized "the desirability of increased freedom of trade by the development of closer integration through voluntary agreements between the economies of countries that are parties to such agreements"[31]. Thus RTAs became an exception to the MFN principle and Article XXIV endorsed the formation of such schemes. Since GATT associated free trade with welfare, it sought to ensure that the formation of regional schemes would be of a benign and not of a malign nature [32]. Regionalism simply involves relations between states characterized by geographic contiguity.

Although scholars in the field of political economy refer to regionalism as the second-best alternative to worldwide, multilateral trade liberalization, the distinction between benign (welfare-increasing) and malign (discriminating) regionalism has become a contentious issue in understanding the role of regionalism in promoting welfare or free

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[28] Ibid

[29] David Richardson, Understanding International Economics: theory and Practice; (Toronto: Little, Brown and company; 1980) pp. 364-366

[30] "Principles of the Trading System", http://www.wto.org/english/thewto_e/whatis_e/tif_e/fact0_e.htm

[31] Fawcett, L. and Andrew Hurell (eds.) Regionalism in World Politics: Regional Organisations and International Order; (United States of America: Oxford University Press; 1995) p79

[32] Benign regionalism is the kind of arrangement that does not increase barriers to outsiders, thereby reducing their welfare. On the other hand, malign regionalism is where powerful parties engage in arrangements with weaker parties in a regional setting in order to establish a discriminatory trade and finance network in which they would dominate.

trade. For example, Fawcett[33] questions the customs union theory's role in welfare. The argument is that since the theory involves both free trade among members of the grouping and relative protection towards non-members, it cannot be concluded that regionalism could provide welfare generally.

Recent studies have shown that the welfare gains derived from RTAs and their contribution to multilateralism are realized when countries involved are natural trading partners, due to complementarity of production structures and a large share of world trade. This realization also explains the difference of approach towards regionalism among the developed and developing countries. For example, the EU used market integration for regionalism. This approach generated trade because intra-regional trade increased efficiency and growth as demand shifted from less efficient domestic production towards more proficient countries within the grouping. For instance, the steel and shipping industries in Britain were out-competed by the German industries. Regionalization benefited most of the regional parties due to two very important reasons: firstly, economic diversification in these states, and secondly, the fact that it was an association of equal partners.

However, within developing countries' RTAs, which invariably include members with vastly different economic structures and stages, this type of trade diversion could be disastrous for the less competitive economies.[34] Another ramification could be that increased protection against the rest of the world could shift demand away from imports from efficient outsiders to imports from less efficient members of the grouping. Though some might argue that this would impact negatively on global welfare, others would argue that this could be seen in a positive light, since the objective of RTAs in the developing countries is development and to redress the unequal international economic relations.[35]

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[33] Fawcett, p. 80

[34] Considering that five countries, South Africa, Morocco, Egypt, Nigeria and Algeria, produce more than half of the region's GDP and 33 least developed countries account for 47 per cent of the region's population and produce only 17 per cent of the total GDP of Africa.

Therefore, economic liberalism is limited in both multilateral and regional settings. Globally, the objective of free trade is the generation of welfare through competition, hence multilateralism. Regionally, the limit of economic liberalism also varies, depending on the objective of regionalism in question. The objective of the EU regionalism was to integrate economies of member countries and to make them competitive in the global arena. Thus, intra-regionally free trade was envisaged and limited extra-regionally. Still, in Africa, regionalism is first and foremost a means of achieving internal development and to improve the economic and political conditions of the continent in the global political economy, hence free trade becomes limited both intra-regionally and extra-regionally.

LITERATURE REVIEW

This literature review focuses on the structural strength and the operational weaknesses of the WTO. It highlights how these weaknesses, compounded by the increase in trade-centered regionalism and plurilateralism saw the emergence of developmental regionalism, and particularly the establishment of NEPAD.

The Strengthening of both Multilateralism and Regionalism.

The growing membership in the WTO and the tremendous increase in world trade illustrate the strength of multilateralism. Membership grew from 44 countries at the inception of GATT in 1947 to 150 countries as of 2006.[36] In the year 2000, total trade was 22 times the level of the 1950s.[37] *The Euroframe Forecast*[38] forecasted world trade growth to strengthen further to 8 percent per annum from 2004.

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[35] See Axline, pp. 1-14

[36] http://www.wto.org/english/thewto_ewhatis_e/tif_e/org6_e.htm

[37] The Multilateral Trading System-Past and Present Future", http://www.inbreif/e/_inbr01_e.htm

[38] Euroframe Forecast, EU and Euro Area Economies, Nov 2003, p2

Another area demonstrating the structural strength of the WTO is its marked difference from GATT. As against its predecessor, the WTO came with a strong Dispute Settlement Body (DSB). Contrary to the flexible GATT decision-making approach, the "single undertaking" approach in decision-making and a permanent secretariat are the areas which constitute the cornerstone of strengthening of the multilateral trading system informing the WTO.

In contrast to the structural strength of the WTO, there has been an increasing move towards regionalism. Economic liberalism informs the multilateral approach to international trade. However, regionalism limits economic liberalism to RTAs, contradicting multilateralism. Hence, despite its structural strength, the WTO has also been beset by operational weaknesses in dealing with RTAs. There is a lack of clarity on regional trade rules and this contributes to the inconsistency of regionalism with multilateralism.

For example, in the WTO provisions for establishing RTAs, the most contentious is the interpretation of "substantially all trade".[39] There is neither common criteria used to assess the exclusion of a particular sector nor a stipulated definition of percentage of trade to be covered. The Enabling Clause is supposed to permit RTAs among developing countries under less stringent conditions than those applied to developed countries under Article XXIV. The Clause however, has created a problem for developing countries, since it is not explicit as to what extent these conditions should be relaxed.

Yorizumi Watanabe[40] noted the case of Mercosour, where participants wanted to apply the Enabling Clause in the formation of the union. However, the adoption of the Clause was argued on the basis that due to its size and its importance, the agreement (Mercosour)

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[39] Report (1998) Of The Committee on Regional Trade Agreements To the General Council, WT/REG/7; http://www.itd.org/forums/7.doc

[40] Yorizumi Wanatabe, "Regionalism vs. Multilateralism", Working Paper Series, The Helen Kellogg Institute for International Studies, University of Notre Dame, http:// www.nd.edu/~kellogg/WPS/220.pdf

could not escape the obligation in Article XXIV. Another case in point, on joining the EU, Sweden's, Finland's, and Austria's tariffs on some high-tech items actually went up. Yet "in permitting its member states to use different criteria to establish origin, the EU violates the GATT requirement that the parties to a customs union (CU) apply substantially the same trade regulations to non-member countries"[41]

GATT Article XXIV: 5 allows "the formation of such a customs union or of such a free-trade area within a reasonable length of time", and according to the Understanding on the Interpretation of Article XXIV, this length of time should exceed 10 years only in exceptional cases. However, NAFTA will phase out quotas and tariffs over 15 years and does not explain why. Alan Freeman[42] found that as of 1990, only four working parties (out of a total of over fifty) could agree that any regional agreement satisfied Article XXIV, three of these working parties were functional before 1957. According to him, GATT was controlled by the advanced countries and this allows the WTO rules and regional agreements to continue to be at variance. Sharon Sheffield found that "as of January 1995, only 6 RTAs have been found to be compliant with Article XXIV by unanimous agreement of the working party. Of these 6, only 2 are presumed to still be in operation (Czech-Slovak CU and the Caribbean Community and Common Market)".[43]

However, the WTO's structural strength and operational weaknesses in dealing with RTAs is a circular relationship to an extent, since these weaknesses can be partially attributed to the proliferation of RTAs. The reasons for the proliferation of RTAs are clearly articulated in Ostry's [44] article. She argues that it is easier to achieve progress in regional arrangements because they are more flexible, less time-consuming than the

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[41] ibid

[42] Alan Freeman. "Fixing Up the World: GATT and the World Trade Organisation". http://members.tripod.com/~leftforum/gatt.html

[43] Sharon Sheffield "Agriculture, GATT, and Regional Trade Agreements"; Regional Trade Agreements and U.S. Agriculture/AER-771 Economic Research Service/USDA pp. 87-96

[44] Sylvia Ostry, "Regional versus Multilateral Trade Strategies"; Isuma; Volume 1 (1) Spring 2000

larger, more cumbersome multilateral negotiations. She also points out that progress at regional level serves as a catalyst for "competitive liberalization," both in other regions, and ultimately in the WTO. Hence in the Uruguay negotiations, in order to overcome the slowness of the process, the US endorsed organised blocs like the EU to complete the Uruguay negotiations.[45] However, others blame or credit the US for the proliferation of the RTAs. In 1988, the US made a u-turn and abandoned its forty years of opposition in principle to regional initiatives and signed a FTA with Canada. This is also the period that saw the proliferation of plurilateralism.

Plurilateralism and Multilateralism.

The impact of plurilateralism on multilateralism has both positive and negative effects. Groupings with common interests in the multilateral trading system such as the Cairns Group have shown that plurilateralism could be a platform for advancing interests in these negotiations, since plurilateralism also allows countries to assert their interests from a stronger and more confident position in the international market.[46] The Group has been successful in putting agricultural liberalisation on the multilateral trade agenda. In the Uruguay Round (UR) negotiations, agriculture, for the first time, became the subject of trade liberalisation rules.[47] In the 1997-2000 meetings, the Group's agenda had been focusing on monitoring and seeking to influence agricultural policy developments in key markets such as the US and Europe. [48]

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[45]De Melo, J. and Panagariya, A. (eds.), New Dimensions in Regional Integration, (Cambridge: Cambridge University Press; 1993) pp. 05, 10-11;Bhagwati, J. "Regionalism and Multilateralism : An Overview", in De Melo and Panagariya (eds.) p. 45

[46] Outarra, Alassane, D. "Regional Integration in Africa-An Important Step towards Global Integration", statement made at the First Conference of Ministers of Economy and Finance of French-speaking Countries, Monaco, 14April 1999.

[47] For the actual negotiations and the results visit: http://www.wto.org/english/tratop_e/agric_e.htm

[48] Boris Yopo, 1998, p. 18

Yet, since plurilateralism encompasses RTAs with different interests, it becomes problematic for the weaker partners. According to Hettne[49], the core, the intermediate and the peripheral regions shape the new world order of regionalism. Structurally, the core regions are politically stable and economically dynamic. One of their objectives is to improve their ability to control the world outside their regions. Western Europe, North America and East Asia are typical examples of core regions[50]. These regions account for 98.0 percent of the world trade flows. [51] Intermediate regions are those that are closely linked to the core group. Central Europe is interested in the EU membership, while China, South-East Asia and Oceania (Australia and New Zealand) are drawn by Japanese capital into East Asia. Latin America and the Caribbean are in the process of becoming "North Americanised". Africa, together with the Middle East, South Asia, and the Balkans are classified as peripheral regions. These regions are politically turbulent and economically stagnant, with low levels of regional cooperation, unsettled regional structures, and failing states.[52] These are the regions that are informed by developmental needs in the pursuit of regionalism.

Ethier[53] sees the new regionalism (here referred to as plurilateralism) as beneficial for the peripheral regions and also for multilateralism. According to him, multilateral trade liberalisation in developed countries makes them more attractive to the developing countries, hence the developing countries are forming regional (plurilateral) schemes with large countries that enable them preferential market access and advantage in attracting

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[49] Bjorn Hettne, " Globalisation, The New Regionalism and East Asia", Selected papers delivered at the United Nations University Global Seminar '96 Shonan Session, 02-06 September 1996, Hayama, Japan; http://personal.centre.edu/~samhat/GOV24/globalism.htm/

[50] Ibid.

[51] Grahame Thompson, " Economic Globalisation" in David Held (ed) An Introduction to the Social Sciences: Understanding Social Change, a Globalising World, Culture, Economics, Politics, (London: Rout ledge; 2000) p. 110

[52] Hettne, Ibid.

[53] W.J. Ethier (1998), "Regionalism in Multilateral World", The Economic Journal, July (108) 1998, pp. 1149-1169

foreign direct investment. Trade liberalisation in manufactured goods is complete in developed countries and many developing countries have liberalised and are joining the multilateral trade system.

Trade-centred Regionalism and Multilateralism

Urata Shujiro[54] argues that the new regionalism may contribute towards the strengthening of the WTO system through the development and establishment of new rules, which are not yet incorporated in the WTO rules. He cites NAFTA with its rules on trade and environment, and the U.S.-Jordan FTA's rules on labor. The rules in the new areas, which have been formulated and implemented in the Northern RTAs, would prove useful models for the formulation of rules under the WTO. For developing countries, however, this seems not to be the case, since most of RTAs among these countries are intergovernmental with little evidence to suggest that they are prepared to pool sovereignty to a supranational entity.

Nevertheless, in line with Shujiro's argument, the U.S. negotiators proposed that the new Round be built upon the scope of issues like investment and intellectual property rights; and newer (post-Uruguay Round) issues such as electronic commerce. They also hoped to deal with institutional reforms in the WTO to encompass labour and environmental matters.[55]

However, this view of developed countries' RTAs as agenda setters for the WTO does not seem to work for all concerned. Consider the submission of the EU-US Summit in June 1999. Despite the WTO built-in-agenda, including agriculture and services, the EU wanted the inclusion of investment, government procurement and the environment be

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[54] Urata Shujiro, "Regionalism, the New WTO Round and Japan's New Trade Policy", Journal of Japanese Trade and Industry, September 2001; http://www.jef.or.jp/en/jti/200109_007.html

[55] Craig VanGrasstek, "U.S. Plans for a New Round: Negotiating More Agreements With Less Authority" 1999; http://www.unctad.org/en/docs/usplans.pdf

incorporated in the Millennium Round.[56] Inclusion of such issues has diverted the focus of negotiations from agriculture and textiles to those areas that are of interest to the industrialised countries. This would have negative repercussions for developing countries, where market access to developed countries' markets, issues of implementation and special and differential treatment could be considered the most pressing issues.

It is in this light that developmental regionalism seeks to redress the unequal relationship between the industrialised and the developing countries with respect to the distribution of economic and political power in the international system. One of the objectives of developmental regionalism in the multilateral trade system is to gain access to the markets of the developed countries, particularly for agricultural products, and to curb the escalation of tariffs, especially for semi-processed and processed products and the introduction of new tariffs and non-tariffs restrictions by developed countries especially on textiles and leather goods.[57] These are the areas in which the regions of the developed world find it hard to liberalise.

Estimates presented in the *Doha Development Agenda* indicate that removing all subsidies to agriculture in OECD countries alone could benefit the poorest countries three times more than the official development assistance (ODA) they currently receive. In addition to agriculture, complete liberalisation in services and manufactures would benefit these countries eight times ODA. Nonetheless, a report tabled by the United Nations Committee for Development Planning, postulated that the failure of the GATT/WTO to deliver universal liberal trade, for which it was designed, lies with the member states, not the system.[58] This scenario portrays a regime that is power-based and not rules-based.

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[56] Corporate Europe Observer, " WTO Millennium Bug: TNC Control Over Global Trade Policies.", (04) 1999, Special WTO Edition.;
http://www.wto.org/english/thewto_e/whatis_e/dispO_e.htm

[57] For more see Jorge Lozoya and Hector Cuadra (eds.) Africa, The Middle East and the New International Economic Order, (New York: Pergamon Policy Studies; 1980), p. viii

Plurilateralism and trade-centred regionalism do not only impinge on multilateralism, but also on developmental regionalism. The competitive manufactured goods from industrialised countries could flood developing countries, resulting in the closure of uncompetitive industries in these countries. Moreover, developing countries, especially in Africa, are exporters of primary products. Hence there would be loss of economic potential, if these countries are not able to raise their share of manufactured goods in world trade.

In an ideal situation, developmental regionalism could have been a bargaining tool for developing countries to hold against the developed countries that control and direct global economic interaction. In fact, it could have been the platform for the developing countries to enforce the developed countries to consider their position, restructure global governance and change the rules and principles of the international institutions to be more favourable to their conditions. [59]

The states in Africa fall under the category of the less developed and a few developing countries. Like in all less developed countries, regionalism in Africa can be viewed as striving to minimize poverty and the intra-regional development gap, and to provide a tool against the negative effects of multilateralism. It is in this light that the AU adopted the NEPAD as its development strategy in the continent.

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[58] Regional Trading Blocs: A Threat to the Multilateral Trading System?, (United Nations: New York; 1990) The CDP Report 1990; p. 25

[59] Linda Low, "Singapore's RTA Strategy", September 06 2001, http://www.rieti.go.jp/661/lowBBC.pdf

METHODOLOGY

The study of politics is now in its post-behavioural era, at least for some scholars, with both the traditionalists and the behaviouralists recognising that neither has a monopoly on wisdom or knowledge. The traditionalists like Edward M Sait and Edward S. Corwin emphasised the historical, legal, and institutional methods in research. In addition, detailed description of political institutions and not explanations of the political system have been goals of this school. On the other hand, behaviouralists such as Charles Merriam and David Easton urge social scientists to study the activity within and the behaviour around political institutions. Further, behaviouralism believes that reliable knowledge in the study of international politics could be achieved through different empirical approaches and methods. [60]

Nonetheless, behaviouralism could not explain certain important international issues like increasing interdependence, globalisation, regional integration, marginalisation of developing countries and so on. Post-behaviouralism tries to fill this gap and uses the two approaches as complementary to each other. One of the strengths of this approach is that, in explaining social, economic and political issues, it focuses on examining how policies are made within a system and why certain policies have been pursued[61]. Hence, taking leaf from post-behaviouralism, the study is historical, institutional, descriptive and analytical.

The research primarily employs qualitative research methods to bring about the history of regionalism within the multilateral trading system, and the examination of provisions for

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[60] Ibid. pp. 35-38; also see Steve Smith, "International Relations" in Adrian Letfwich (ed) New developments in Political Science: An International Review of Achievements and Prospects,, (England: Edward Elgar Publishing Lt; 1990) p. 143-158

[61] see Alan C. Isaac, Scope and Methods of Political Science: An Introduction to the Methodology of Political Inquiry, (Illinois: The Dorsy Press; 1984) pp. 44-46

regionalism since the inception of the multilateral trade system. Literature surveys and structured interviews are also used as research methods. With regards to literature survey, both primary and secondary sources are surveyed so as to balance authority with originality. Primary sources such as the GATT Treaty and relevant provisions for RTAs, RTA agreements and Commissioned reports are used. Article XXIV, The Enabling Clause, AEC Treaty; NAFTA Treaty and other RTAs Agreements; UN reports like the *Regional Trading Blocs, 1990: A Threat to the Multilateral Trading System?*; *WTO Preliminary Draft On Regionalism and the WTO*, 26 April 2002; ECDPM 1999, " *The ECs Impact Studies on Regional Economies Partnership Agreement*", Lome Negotiating Brief No. 05; Economic *Development in Africa: Performance, Prospects and Policy Issues*, are examples of sources surveyed in this study.

Transcripts of negotiations, declarations, and articles of agreements of relevant international treaties and organizations inform the study. Policy documents of relevant regional organizations, as well as computer databases also helped in understanding the questions of the study. Examples are: the NEPAD Policy Document; WTO Agreements; the EU and NAFTA treaties *Framework Agreement for the Creation of a FTA between Mercosur and the Republic of South Africa* http://www. Mercosul-comisec-gub-uy/ACUERDOS/SudAfrica/ACUERDOSSUDAFRICAing.htm. The UN Millenium Report, "We the People": The Role of the UN in the 21st Century, http://www.un.org/millenium/sg/report/summit.htm. These documents helped explain the scope and dimensions of regionalism within the multilateral trade system.

Relevant secondary sources were helpful in defining the main concepts of the study. Definitions of such concepts as multilateralism and regionalism are based on scholarly books and journal articles. The London School of Economics and Political Science (LSE) research resource centres and libraries as well as South African Institute of International Affairs (SAIIA), Cullen, Watenweiller, Educom, Earth and Management libraries at the University of the Witwatersrand provided a variety of books and journals and online resources that are relevant to the study. The staff at the Development Bank of Southern

Africa (DBSA) and the NEPAD Secretariat in South Africa also helped with relevant documentation and discussions.

Structured interviews followed by an open discussion to elaborate points were conducted. Views or comments from officials in the NEPAD secretariat as well as the Africa Multilateral Desk in the Department of Foreign Affairs are used. Scholars in the field of international political economy were also targets. These interviews were conducted in person, others telephonically and by e-mail, depending on the availability of the interviewees concerned.

Secondary analysis of data derived from primary sources helped to describe the direction of trade and levels of development on both regional and multilateral dimensions. *The IMF Surveys, UN World Development Report, World Bank Economic Indicators, WTO Trade Statistics, African Development Bank Report*, to mention a few were readily available at SAIIA and over the Internet. Further, the Growing Our Own Timber grant enabled me to spend six months at the London School of Economics and Political Science (LSE) in January to June 2004.

> My stay at LSE has helped me gather material related to my study. I attended conferences and seminars conducted by international trade specialists and authors like Razeen Sally. As a research assistant at the Centre for the Study of Global Governance (CSGG), collecting material relating the EU citizenry's opinions regarding a common foreign policy, I also got access to statistics and other primary material relevant to my study.

CHAPTER OUTILINE

The study is divided into seven chapters. The first chapter is the framework of the study. The second chapter focuses on conceptualising trends in the international political economy. Discussion on the ambiguity of the definitions of multilateralism and regionalism form the basis of this chapter. This directs the study to a trend that is often referred to as new regionalism by the writers in this field. This trend is in-between regionalism and multilateralism. The nature and scope of plurilateralism is discussed. In an attempt to highlight the continuing importance of geographic contiguity in the study of the new regionalism, and to highlight the distinguishing feature between regionalism and plurilateralism, the research employed the New Regionalism Theory (NRT), though in a critical manner.

Since multilateral, plurilateral and regional trade relations are governed by multilateralism under the aegis of the established institution, Chapter Three looks at the interface of these trends within the WTO. The chapter starts by examining the multilateral nature of the trading system from the GATT to the WTO. The main historical events, which led to the current wave of regionalism and eventually plurilateralism, are also recounted. Description and analysis of the WTO provisions permitting regional as well as plurilateral trade arrangements form the main discussion of the chapter. Article XXIV is used for regionalism in the North, whereas in the South an attempt is made to apply the Enabling Clause. The Clause is also utilised in analysing plurilateralism.

The multilateral trading system is not only fraught with inconsistencies in dealing with RTAs, but with the disregard for issues of interest to developing countries. Chapter Four is concerned with the integration of developing countries within the WTO. From Singapore in 1996 to Cancun in September 2003, the ministerial meetings since the establishment of the WTO, helped to shed light on the transparent and consensus

approach of trade multilateralism. Representation and participation of the developing countries within the WTO is discussed so as to examine the limits of consensus and transparency within the multilateral trading system.

The role and position of developing countries within the WTO has shed some light on the multilateral nature of the institution. Agriculture and textiles are discussed as agreements that signify integration of the developing countries into the multilateral trade system.

In reaction to the less and ineffective participation and integration into the multilateral trading system, as well as in an effort to push for a change in the system, developing countries have sought moves towards developmental regionalism. Chapter Five focuses on the contending forms of regionalism. It discusses the nature and relationship of a region and regionalism by way of critiquing the New Regionalism Theory (NRT). It also touches on impact of plurilateralism on developmental regionalism.

Chapter Six provides both the external and internal contexts of NEPAD. It looks at African trends in depth, the socio-economic conditions in the region, Africa in the global economy, political and economic institutions in the continent as well as the relationship between the AU and NEPAD. The main discussion of this chapter centres on the notion that while NEPAD endorses developmental regionalism, it also promotes plurilateralism and multilateralism, It also sheds light on how the programme tries to reconcile the two trends and how it seeks to influence multilateralism.

Chapter Seven is the overall conclusion of the study, recommendations and highlights of areas that need to be researched further.