The objective of this research paper is to present a suitable scheme of regional integration which can be applied between developing countries and less developed countries. This new scheme is called the Cooperation Effect Creation Scheme (CEC-Scheme). The CEC-Scheme demonstrates the basic conditions for regionalism to succeed in any form, whether open (free trade area) or closed (customs union), between developing countries and less developed countries. This paper proposes that implementation of the CEC-Scheme will facilitate the fulfilment of successful regionalism between developing and less developed countries.

The CEC-Scheme will generate the cooperative creating effect within the same regional bloc. In turn, the cooperative creating effect will generate the intraregional trade creating effect in the short term and the interregional trade creating effect in the medium term, which facilitate the growth of regionalism between developing countries and less developed countries (see figure 7).

I. COOPERATION EFFECT CREATION SCHEME
(CEC-SCHME)

The CEC-Scheme is an equitable and harmonious regional economic development scheme. It is based on the interaction between a series of socio-economic assistance programmes and the open regionalism concept. More precisely, the implementation of the CEC-Scheme involves the application and coordination of a series of programmes with social and economic implications, both with different priorities, as well as the application of open regionalism, for the

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integration of a group of developing and less developed countries. Its application can be tailored to the needs of the region concerned.

This interaction is based on four programmes: (a) Education and Technical Training Standardization Cooperation Module (M1); (b) Social and Productive Infrastructure Cooperation Module (M2); (c) Trade and Tourism Promotion Cooperation Module (M3); and (d) Public Administration Development Cooperation Module (M4). The coordination and systematic control of these modules can create favourable conditions for economic development at the regional level, thereby enabling countries in the region to compete in the international market.

As indicated above, the programme of the CEC-Scheme are adapted to the requirements and characteristics of any region. The general objective of the CEC-Scheme is to increase the intraregional trade and extraregional trade through improved productivity, efficiency and competitiveness. The principles behind the CEC-Scheme are non-discrimination, voluntarism, tolerance, respect and flexibility.

The CEC-Scheme has seven specific objectives, as follows:

(a) Through the combination of its four modules and the new focus on open regionalism, the CEC-Scheme seeks to serve as a new approach (regional economic development model) suitable for bringing together developing countries and less developed countries.

(b) The CEC-Scheme seeks to offer a basic mechanism to strengthen the weak areas of regional integration within the regions of developing countries and less developed countries according to the social, economic, technological and political situations in these countries. It also takes into account the internal and external conditions of each region.

(c) With its emphases on the new world order and international trade in the globalization process, as well as its adoption of a multi-functional and flexible structure, the CEC-Scheme presents a new focus for integrating developing countries and less developed countries into a single trading bloc.

(d) Taking education and training as the pillar of formation of regional human capital, the CEC-Scheme seeks to create an intraregional information/education exchange network, through the promotion of information exchange and coordination of academic programmes.
The CEC-Scheme seeks to generate equal benefits to every country in a region. This is done by attaching much attention to, first, the building of a regional physical infrastructure to help in the mobility of goods and the labour factor, and second, the search for efficient financial resources allocation and employment in the same region based on bilateral and multilateral negotiations in different intraregional projects.

The CEC-Scheme places much emphasis on intraregional trade, investment and tourism promotion issues. It seeks to sell a single region in the international market by encouraging the active participation in international fairs and expositions, where all member countries of the region are grouped together in the same physical space and with the same patent. Thus, the region concerned has an image that is readily identifiable in the international market. In addition, the costs of trade, investment and tourism promotion in the same region are reduced.

Through the standardization of training courses in different government and public institutions in each participating country in the region, the CEC-Scheme helps to identify solutions to problems in public administration and management, the legal system and public institutions.

II. THE COOPERATION EFFECT CREATION SCHEME (CEC-SCHEME) MODULES

Educational and Technical Training Standardization Cooperation Module (M1)

The first programme in the CEC-Scheme is the Education and Technical Training Standardization Cooperation Module (M1). This programme uses an action framework to create regional human capital based on the standardization of education at the regional level. The action framework will standardize education in the region and concurrently create the conditions to produce a highly qualified, productive and competitive regional labour force. This pool of capable human capital in turn produces goods and services with high added value that can compete well in the international market in addition to serving as the pull factor for foreign direct investment (FDI) into the region.
There are four principal intraregional activities in this programme: (a) implementation of a literacy campaign in certain countries to raise their basic education level; (b) coordination and standardization of elementary and high school programmes; (c) development of technical training programmes; and (d) setting up a university information network based on joint research and development projects. Capitalizing on these four activities, the general objective of this programme is to lay a solid education foundation for the younger generations in the region so that they are able to compete internationally.

At the tertiary level, the development of technical training programmes aims to join with academic programmes in different scientific fields through the exchange of academic programmes at the intraregional level, including the exchange of professors and experts and joint research and development (R&D), in different scientific fields. This approach, accompanied by scholarships for the Masters and Doctoral programmes worldwide, together with joint R&D among universities in the same region, is more likely to meet with success. This approach should be complemented with the offer of postgraduate scholarships by universities in the region.

With regard to technical training, this programme proposes a common strategy for the coordination and standardization of training in different sectors such as agriculture, industry and services to be placed under the purview of technical institutes and engineering faculties of the universities in the region.

At the same time, information technology should be considered as the basis for regional education development, as it is instrumental to the information exchange in the coordination and standardization efforts of this education and technical training programme. It is responsible for coordinating all programmes using information exchange at different levels based on the education and technical training standardization programme (see table 1 and figure 1).

**Social and Productive Infrastructure Cooperation Module (M2)**

This paper takes into consideration two types of infrastructure development between developing countries and less developed countries. It is especially pertinent to pay attention to these two types of infrastructure in countries with a limited budget for infrastructure. This is because inadequate infrastructure creates a constant poverty cycle in these countries and thereby inhibits production growth and human development within the region concerned (see table 2 and figure 1).

The general objective of this joint infrastructure programme between developing countries and less developed countries is to solicit financial support
Table 1. Education and Technical Training Standardization
Cooperation Module (M1)

- Literacy campaign
- Standardization of elementary and high school programmes, especially in science, mathematics and the English language
- Tertiary level academic exchange and joint R&D network
  - The standard programme for different science subjects
  - Intraregional and foreign/interregional exchange of professors
  - Intraregional student (information and exchange) network
  - Intraregional scholarship information network
  - Inter-university/intraregional research and development (R&D) assistance
- Standardization of technical training in the agricultural, industrial and service sectors
- Information technology cooperation and exchange

Figure 1. Cooperation Effect Creation Scheme (CEC-Scheme) modules
from international technical and financial organizations. These organizations may help to develop better infrastructure in the region under bilateral or regional negotiations. In this regard, this programme serves as a guide for developing the intraregional mega-project proposals to obtain credit from different international financial organizations.

The social infrastructure aspect of this module aims to promote efforts relating to social well-being, such as supplies of food and nutrition, medical assistance in times of natural disasters and plagues, ethnic mediation, the provision of education, as well as the development of a sound immigration database to address security issues. All these efforts can serve significantly as a base for economic development in any region concerned. The favourable social conditions resulting from the improvement of social infrastructures in developing and less developed countries will increase their bilateral trade. Productive infrastructure, the other aspect of this module refers to communication services, public transportation joint ventures and physical infrastructure (bridges, highways, railways, airports and ports) cooperation.

**Table 2. Social and Productive Infrastructure Cooperation Module (M2)**

<table>
<thead>
<tr>
<th>Social infrastructure</th>
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<tbody>
<tr>
<td>• Food and nutrition security cooperation</td>
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<tr>
<td>• Immigration and security information network exchange</td>
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<tr>
<td>• Medical assistance in the event of natural disasters and plagues</td>
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<tr>
<td>• Human rights and ethnic cooperation programme</td>
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<td>• Education infrastructure in rural areas programme</td>
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<table>
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<tr>
<th>Productive infrastructure</th>
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</thead>
<tbody>
<tr>
<td>• Intraregional transportation system connection at border points (airports, ports, highways, railways), energy, communications</td>
</tr>
<tr>
<td>• Intraregional control and management of natural resources programme (removable and non-removable)</td>
</tr>
</tbody>
</table>

The social infrastructure aspect of this module aims to promote efforts relating to social well-being, such as supplies of food and nutrition, medical assistance in times of natural disasters, ethnic mediation, the provision of education, as well as the development of a sound immigration database to address security issues. All these efforts can serve significantly as a base for economic development in any region concerned. The favourable social conditions resulting from the improvement of social infrastructures in developing and less developed countries will increase their bilateral trade. Productive infrastructure, the other aspect of this module refers to communication services, public transportation joint ventures and physical infrastructure (bridges, highways, railways, airports and ports) cooperation.

**Trade and Tourism Promotion Cooperation Module (M3)**

The third programme of the CEC-Scheme is the Trade and Tourism Promotion Cooperation Module (M3). The general objective of this programme is to concentrate efforts within the region to create a common module to promote trade, investment and tourism at an intraregional level overseas.

More specifically, this module of the CEC-Scheme seeks to expand the export potential of the region in different international markets based on productivity
and competitiveness, as well as to attract into the region FDI and tourists from different parts of the world. This module can also reduce the cost of marketing intraregional products promotions at the international level. All this contributes to the promotion of intraregional trade and tourism at the same time.

The efforts adopted for the above objectives include the search for platforms that enable each country in the region to sell its goods and services internationally, and participation as a region and single trade bloc in international fairs and seminars. This will help the member countries of the region to be easily identified by the international community. This in turns enables them to compete under the same conditions in the international market. It also becomes easier for international sellers and buyers to locate and negotiate with this specific region.

Moreover, those participating in the Trade and Tourism Promotion Cooperation Module (M3) should undergo an intensive training programme with an emphasis on English and foreign languages, international marketing, international economics, management, design and organization of event management as well as information technology. For this reason, a training module is incorporated into this programme (see table 3 and figure 1).

Table 3. Trade and Tourism Promotion Cooperation Module (M3)

<table>
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<tr>
<th>TRADE</th>
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<tbody>
<tr>
<td>• The joint trade advisor network information centre is based on a general database of company profiles from each country in one region. Additionally, this centre can help with export and import procedures, lists of tariffs and trade regulations, logistic procedures, taxation, lists of seminars, overseas fairs and expositions, production standards, trade and market research and development and country profiles for each market in the same region. All this information is accessible through the Internet. This centre will offer a complete list of magazines and directories from each country. There after, the same information can be distributed by each respective embassy under the same promotion standards (e.g. ESCAP, Association of Southeast Asian Nations).</td>
</tr>
<tr>
<td>• Active and constant participation in international fairs, expositions and seminars</td>
</tr>
<tr>
<td>• Regional standardization of quality control of products and services</td>
</tr>
<tr>
<td>• Business facilitation programme (e.g. Asia-Pacific Economic Cooperation)</td>
</tr>
<tr>
<td>• Competitiveness and productivity programme</td>
</tr>
<tr>
<td>• Trade research and development programme</td>
</tr>
<tr>
<td>Diagnostic and tendencies of international markets research (business intelligence)</td>
</tr>
<tr>
<td>Research and development of new products and services</td>
</tr>
<tr>
<td>Research and development in branching, packing and marketing</td>
</tr>
<tr>
<td>Research and development in transportation and logistic distribution channels</td>
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</table>
The Public Administration Development Cooperation Module (M4) is the fourth module in the CEC-Scheme. The central idea of this module is to search for a solution to different problems in the public administration of each country in the region. The focuses of this module are administrative procedures, legal framework and institutional organizations, based on research and specialized training for public sector workers at all levels.

Additionally, it is proposed that specialized R&D centres be set up to provide consultation and advice on existing common regional problems. At least four categories of R&D with their respective centres should be put in place: (a) economic information, (b) public, legal and institutional information, (c) technology information, and (d) social information. It is proposed that each of these centres be further compartmentalized into specialized sections as detailed in table 4 and figure 1.
After implementation of the CEC-Scheme, constant feedback from different countries in the same region is vital. The constant feedback can help to rectify the failures and shortcomings of this model in the medium and long terms.

III. PRIOR TO THE APPLICATION OF THE CEC-SCHEME

For illustrative purposes, this paper presents two trade blocs, A and B, and two goods, g1 (agricultural goods) and g2 (industrial goods) in the application of the CEC-Scheme.

Trade bloc A consists of one developing country (Aa) and two less developed countries (Ab & Ac), all with similar production structures. Trade bloc B
is made up of developed countries, Ba, Bb and Bc. The three countries of trade bloc A are at different trade liberalization levels owing to the application of different trade and non-trade barriers by each member in the same region.

**Trade bloc A**

It is postulated that, in any region, the higher trade protection of small countries creates division, distrust and loss of credibility in the intraregional negotiations among countries. In the example presented here, however, trade bloc A is attempting to create a customs union (CU) agreement among its members based on the common external tariffs applied to third parties (see figure 2).

The three countries of trade bloc A produce the same type of export products, that is, agricultural products (g1) in raw form. As raw materials, g1 has low added value and thus commands low prices in the international market. Similarly, the industrial structure of trade bloc A is minimal. In addition, industries in this trade bloc concentrate on the production of manufactured goods only. Although country Aa has a higher number of manufacturing firms compared with countries Ab and Ac, all three lack heavy or technological industries. The deficit in the balance of trade shows the trade dependency level of capital goods and intermediate goods imported from developed countries or trade bloc B in this case. Therefore, trade bloc A would have to depend on the developed countries of trade bloc B for capital goods and intermediate goods. As a result, trade bloc A always has a higher deficit in its balance of trade in relation to trade bloc B and consequently, a high balance of trade deficit.

In addition to a high balance of trade deficit, all countries of trade bloc A also have a low per capita average income. Consequently, both the saving level (saving = investment) and the capital production volume supply (or investment) are low.

Investment is divided into three types: domestic direct investment (DDI),\(^1\) intraregional direct investment (IDI)\(^2\) and foreign direct investment (FDI)\(^3\). DDI and

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\(^1\) DDI is the domestic capital formation in the local operations of domestic firms through the acquisition of a local operation, establishment and expansion of operations in the same country.

\(^2\) IDI consists of the mobility of investment from one country to another in the same region.

\(^3\) FDI is all investment in the foreign operations of a company through acquisition of a foreign operation, or establishment of a new site. It implies control and managerial and perhaps technical input and is generally preferred by the host country (Bannock, 1998).
Figure 2. Common problems hindering developing countries and less developed countries from integrating into a single trade bloc

- ▼ Foreign direct investment
- ▼ Income
- ▼ Domestic direct investment
- ▼ Saving
- ▼ Investment
- ▼ Intraregional direct investment
- ▲ Interest rate
- ▼ Capital productive supply
- ▲ Cost of production
- ▼ Internal rate of return (IRR) = ▼ Profit
- ▼ Production
- ▼ Trade promotion
- ▲ Trade dependency
- ▼ Export
- ▼ Export
- ▼ Import
- ▼ Agriculture goods
- ▼ Exchange rate
- ▲ Balance trade
- ▼ R&D
- ▼ Added value
- ▼ Unemployment
- ▲ Human capital supply
- ▼ Productivity
- ▼ Industrial goods import

▲ = Increase
▼ = Decrease
IDI are expensive and difficult to obtain by the private sector at the domestic and regional levels, because the interest rate is higher for the limited productive capital volume supply. The capital productive volume supply faces a series of obstacles in its attempt to increase domestic production. Therefore, the export supply is smaller. Additionally, the small export supply is affected by poor trade promotion strategies. The high cost of production stems from the higher capital production cost and affects the market price directly. As a result, the internal rate of return (IRR) is lower; consequently, the profit of the local and regional firms is lower.

In addition, FDI in trade bloc A is smaller. In the present example countries of trade bloc B are the source of FDI in trade bloc A. The assumption as to why there is less FDI in trade bloc A is based on the following: fragile legal framework, political instability, corruption, complicated bureaucracy, limited availability of information about the country and the region, limited highly qualified labour, scarce physical infrastructure and lower income. However, with regard to exchange rates, there are constant devaluations in trade bloc A arising from speculative and black-market transactions.

Countries of trade bloc A are faced with a high rate of unemployment. This constitutes a great obstacle to efforts the standard of education in these countries and the reason behind the low labour productivity at the regional level. The smaller human capital supply also creates a large obstacle to the introduction of R&D and hence the quest to produce new goods and services. In addition to the above shortcomings, in trade bloc A there is inadequate physical infrastructure, a high population growth rate, a high level of poverty as well as an imbalance in the distribution of wealth (see figure 2).

As for politics, there is political instability in trade bloc A, owing to fragile democracies with soft legal frameworks and the lack of government institutions in each member country. The economic elites also have minimal interest in being part of a single trade bloc. Last but not least, there are problems relating to the borders between some member countries in the trade bloc.

Trade bloc B

Trade bloc B has a better scenario compared with trade bloc A. While trade bloc A is forming a customs union, the three countries of trade bloc B (Ba, Bb and Bc) are in the process of signing an agreement on a free trade area. The countries of trade bloc A are excluded from this agreement. As compared with trade bloc A, trade bloc B shows a stronger trade and investment exchange between its members and higher levels of income.
The countries of trade bloc B base their economies on high technology industries and services, in this case the production of industrial goods, g2. Countries in this trade bloc have a comparative advantage to produce g2 based on low production costs. Hence this trade bloc offers high value added products to the international market. Meanwhile, based on g2 trade, a trade-creating effect is generated among the member countries in this trade bloc.

Trade bloc B begins to produce more g1 and the customs union formed by trade bloc B stops importing g1 from trade bloc A, generating a trade-diverting effect and at the same time, a trade diversion between trade bloc A and trade bloc B. The crux of the problem is that, owing to the comparatively higher cost of producing g1 in trade bloc B because of the higher labour cost, trade bloc B has less comparative advantage in the production of g1 than trade bloc A.

Nevertheless, as shown in figure 3, the opposite situation is true for trade bloc A. This is, in effect, the situation prior to the implementation of the CEC-Scheme. The following section explains how the situation of trade bloc A improves after the implementation of the CEC-Scheme.

Figure 3. Cooperation effect creation scheme (CEC-Scheme) before its implementation between trade bloc A and trade bloc B
IV. AFTER IMPLEMENTING THE CEC-SCHÉME

Before the CEC-Schéme is applied in any type of regional integration initiative around the world, it is recommended that an analysis of the following aspects of each member country of the region and the region as a whole be carried out: culture, history, stage of economic and social development, stage of regional integration process, political situation, legal framework, regional institutions available and the needs of each country. This paper proposes the application of the modules priority mobility (MPM) concept to the analysis purposes. In MPM, a list of necessities and priorities that each member country in the same trade bloc present is used.

The four modules of the CEC-Schéme, as explained in the earlier part of this paper are: (a) Education and Technical Training Standardization Cooperation Module (M1); (b) Social and Productive Infrastructure Cooperation Module (M2); (c) Trade and Tourism Promotion Cooperation Module (M3); and (d) Public Administration Development Cooperation Module (M4) (see figures 1 and 4).

Additionally, each of the four modules of the CEC-Schéme should be applied in conjunction with a new regionalism or open regionalism approach (Garnaut, 1994 and Bergsten, 1997). Both the CEC-Schéme and the open regionalism approach promote multilateralism with other trade blocs (see figure 4).

V. THE CEC-SCHÉME MODULES

**Education and Technical Training Standardization Cooperation Module (M1)**

As indicated in this paper, the general objective of the intraregional Education and Technical Training Standardization Cooperation Module (M1) is to increase the supply of regional human capital or soft technology based on a knowledge economy (K-economy). This leads to an improvement in R&D, which not only enhances productivity, but also creates new goods and services with high added value for new niches in the international market. It is based on ideas, working groups, innovation, strategies and plans to create new goods and services for the international market.

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4 International trade and exchange between more than two countries or regions without non-discrimination trade barriers between those involved, by contrast with bilateralism (Bannock, 1998).

5 Soft technology is defined here as all general knowledge, technical and theoretical learning, experiences, training and adaptability to challenges. It includes cultural and environmental changes introduced by the workers of a country.
The production resulting from the application of intraregional education and technical training standardization cooperation module (M1) can generate new goods and services with high added value through the promotion of the DDI and IDI.

The above development in turns brings about a rise in the income per capita and hence the saving rate in the region. The next positive result will then be an increase in the supply of productive capital derived from the regional capital accumulation process. If the productive capital supply is higher than the demand, it pushes down the interest rate and the cost of production and thereby the market price.

If the M1 module is applied to trade bloc A, all the above benefits obtainable from its implementation will enable all goods and services from the trade bloc to compete in the international markets.
The positive outcomes of the implementation of the M1 module also include improvement in the internal rate of return and higher profits for domestic, regional and multinational firms. This, coupled with the growth of purchasing power within the trade bloc, will readily attract FDI into trade bloc A.

The growth of regional production spurred by DDI, IDI and FDI will invariably lead to an increase in the export volume. The ultimate benefit for trade bloc A will then be reduced trade dependency and an improvement in the balance of trade (see figure 5).

Figure 5. Cooperation Effect Creation Scheme (CEC-Scheme)
modules effects
Social and Productive Infrastructure Cooperation Module (M2)

This module is meant to create the conditions for the formation of intraregional infrastructure for the mobility of goods and labour in both intraregional and extraregional trade (import and export). The social infrastructure can help reduce the difficulties arising from income inequality among the countries in the same region based on the implementation of the present regional integration proposal for developing countries. The M2 module can help create employment in the construction sector at the regional level.

Trade and Tourism Promotion Cooperation Module (M3)

In the light of the new international image of trade bloc A following the developments achieved through the implementation of the M1 and M2 modules, the promotional programmes of the M3 module further strengthen these developments by generating interest from the international market, thereby creating more business opportunities at the regional level.

The M3 module is based on an open consensus in both the private and public sectors of each member country of the region or trade bloc. Such an open atmosphere created by trade bloc A provides an equal opportunity and equal conditions for all of its member countries in all aspects of trade, investment and tourism. This manifests itself in the design of common and equitable strategies for all member countries, where the promotion and negotiation of free trade agreements, intraregional export, FDI and tourism are carried out collectively and efficiently.

In short, through the M3 module, all countries in trade bloc A and the region as a whole will not only have improved their image, but also a shared identity as a single market. The trade bloc will thus be easily identified by international sellers, buyers and investors in the international market. This programme demands the collaboration and coordination between the ministry of economy, exporters (traditional and non-traditional products), chambers of trade and the ministry of foreign affairs in each country.

Public Administration Development Cooperation Module (M4)

The objective of the last module, the Public Administration Development Cooperation Module (M4) (see figures 1 and 5), is to search for a solution to the different problems that face the public administrations while trying to increase productivity through intensive training programmes and further research. This module will try to improve the administrative procedures, legal framework and institutional organizations.
VI. CONSIDERATIONS IN THE APPLICATION OF THE CEC-SCHEME

The application of the CEC-Scheme varies slightly for the regional integration of developing countries and less developed countries from that for the regional integration of developing countries and developed countries.

It is important to note that the basic step to take in the CEC-Scheme for integrating developing countries and less developed countries, for example the Central American Common Market (CACM) and the Andean Community, is to foster an open cooperation, in the form of participation in socio-economic aid assistance, to solve the differences between members of the scheme.

In the case of regional integration agreements between developing countries and developed countries, for example the Association of Southeast Asian Nations (ASEAN) and the North American Free Trade Agreement (NAFTA), the application of the CEC-Scheme is geared towards a large amount of open trade and open cooperation in the form of participation in socio-economic aid assistance. This is the first step towards helping developing countries that do not have a sufficient trade volume to compete in the international market.

According to the CEC-Scheme, the trade volume is the deciding factor in the regional integration process. Countries and regions with a high trade volume in the international market – a result of a large diversity of products and services with high added value – need to seek free trade agreements with others that also have the same conditions. This is the case for regional integration between two regions of developed countries. An example of regions that have taken this step in their regional integration process is EU and NAFTA.

However, countries or regions whose trade volume in the international market is small owing to their limited diversity of products and services with low added value, should give priority to open cooperation rather than open trade (see figure 6). This applies to the regional integration process of developing countries and less developed countries, for example, between CACM and the Andean Community.
Figure 6. Priority between open cooperation and open trade in different regional integration schemes based on economic development stage

Figure 7. Interaction between the cooperation effect creation and trade-creating effect

Regional Cooperative Scheme depends on the global development cooperative advantage that each country of the same region presents. Cooperation effect creation...
VII. CONCLUSION

After examining the CEC-Scheme, the importance of Viner’s contribution in the regional integration field based on the theory of customs union through the application of a partial equilibrium system (static model) is recognized. Viner presents a general explanation of the impact of the formation of a customs union based on the explanation of its basic concepts (trade-creating and trade-diverting effects) to analyse the regional integration process of any region and its impact on world trade (Viner, 1950).

The CEC-Scheme is the showcase of how the regional integration process could be analysed using the concepts of trade-creating and trade-diverting effects. It is concluded here that in the regional integration between developing countries and less developed countries, the trade-creating effects at the intraregional and extraregional levels that are achieved in the short- and medium-term could be brought about through the implementation of the CEC-Scheme, specifically through open cooperation in the social assistance modules, in addition to open regionalism (agreements on free trade areas). Neither the free trade agreements nor the customs unions can be successful without the concurrent implementation of socio-economic cooperation programmes.
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