Introduction
The purpose of this short article is to connect the discussion on the proposal of the Eurasian Development Bank to design an indicator system for monitoring the Eurasian integration process to the ongoing discussions about similar monitoring systems in other regions. I will explore the ‘lessons’ that can be drawn from these – not always successful – experiences and I will identify a number of issues that will have to be addressed in the course of the development of the EDB indicator system in order to make it a successful, relevant and sustainable system. As will be shown, these issues are of different types, not only methodological and technical, but also political. My remarks are organised in five points.

1. Monitoring Regional Integration: Technical versus Political Aspects
Although there might be a temptation to engage immediately in a technical discussion on the construction of indicators and the collection of statistics, the first point I would like to make is that the question of how to monitor regional integration cannot be reduced to a technical problem, or a set of technical problems.

The starting point for setting up an indicator system is rather of a political nature. It is related to the underlying mandate for monitoring. The purpose of monitoring is usually the evaluation of regional integration policies, given the “implementation problem” faced by several regional initiatives, and to test the quality of regional governance.

When considering political and technical aspects of a monitoring system, it would not be correct, however, to deal with them separately and consider them as sequential (i.e. technical aspects following political aspects).

---

1 This article is based on an intervention by the author at the 3rd EDB Conference on Eurasian Integration, Eurasian Development Bank, Almaty, Kazakhstan, October 15–17, 2008.
2 This will be further developed in point 2.
The political and technical aspects are clearly linked. Several examples of such linkages can be mentioned:

• the number of aspects to be considered in an indicator-system are a function of the underlying mandate;

• the inclusion of (inter-regional) comparison and benchmarking is a political choice;

• the choice of weights in a monitoring systems and in the design of composite indicators cannot be based only on technical (statistical) criteria;

• the choice to include good governance indicators (like transparency, participation and accountability) is also a political choice.


Monitoring is not an isolated (academic) activity. It refers to a series of relevant processes of information gathering, processing and dissemination with the aim to influence, scrutinize and/or evaluate regional integration policies or to secure their implementation. These processes take place in a monitoring system in which different actors participate: regional and national, public and private. These actors can be internal to the regional integration process (e.g. regional secretariats, regional parliaments, regional development banks) or external to the process (e.g. academics, NGOs) (Costea et al., 2008). The role of monitoring can be political, coordinating, academic, technical, financial, etc. In other words, monitoring can take place closer to or further away from the decision-making centres. Monitoring is thus not to be equated with evaluation, and displays both positive and normative aspects.

In some cases, the integration arrangements have built-in monitoring provisions. These are especially effective when, at the same time, the integration agreement itself includes explicit objectives.

The use of (extra-regional) benchmarks is a particularly sensitive issue and poses a series of methodological problems.

From an academic point of view, indicator-based monitoring is of particular value because it allows testing opinions and accepted opinions on ‘progress’, ‘success’ or ‘failure’ of particular regional integration processes.

It should thereby not be forgotten that regionalism or regional integration is a ‘moving target’. The institutional complexity of the regional arrangements tends to increase with time. And shifts have been noticed from uni-dimensional regional organisations towards multidimensional and hybrid forms of regional cooperation (Hettne and Soderbaum, 2004). A good example of the latter, in the Eurasian context, is the Central Asia Regional Economic Cooperation.
Finally, it should be noted that the monitoring actors are not necessarily (intra-) regional actors. Extra-regional actors (like other regions, international organisations, international NGOs, academics) are possibly interested in the monitoring process.

3. Monitoring Experiences: Where Do We Stand?

When designing an indicator system for the Eurasian region, it might be useful to have a look at the number of (not always successful) monitoring experiences elsewhere.

Focusing on indicator-based experiences, most of them were promoted by (regional or international) organisations, including: EC, ECB, IDB, ALADI, COMESA, Ecowas, ACP Secretariat, ASEAN and UNECA. Academic proposals include: Hufbauer and Schott (1994) and Feng and Genna (2003); and UNU-CRIS (RIKS, World Report). The academic proposals, together with the UNECA and ECB proposals incorporate a comparative element.

What can we observe from these experiences with indicator-based systems? From our reading, at least the following points can be made:

- There are very few sustained efforts, which is not very encouraging for the EDB;
- The political role of monitoring does not seem to be crucial for the regional integration process;
- Few actors are usually involved in monitoring;
- Different logical components of regional integration are targeted (De Lombaerde and Van Langenhove, 2006);
- Monitoring in practice seems to have different objectives (including: measurement of the level of regional integration, measurement of preconditions, assessment of the contribution of individual countries to regional integration, evaluation of regional integration policies, comparison, evaluation of donor-financed support programmes, strategic use in the context of interregional negotiation processes);
- Monitoring systems are often characterized by underdeveloped conceptual frameworks and poor selection criteria for the indicators (De Lombaerde, Pietrangeli and Weeratunge, 2008);
- The size of the indicator-systems varies considerably. A recent review of several systems revealed that indicator systems cover between less than ten and close to 150 variables (De Lombaerde, Pietrangeli and Weeratunge, 2008);

---

3 See: www.cris.unu.edu/riks/
• The same review revealed that one third of the included variables does not necessarily inform us about the regional integration processes.

Apart from the observations that can be derived from the indicator-based systems, some additional observations can be derived from monitoring experiences more in general:

• The increasing complexity of regional integration makes monitoring more challenging;

• The increasing complexity of regional integration seems to go hand-in-hand with increasingly complex monitoring systems. In the case of the EU, for example, the monitoring system consists of a whole array of interconnected processes, both at the level of internal monitoring (reporting, and auditing processes, EUROSTAT, Eurobarometer, Internal Market Scoreboard, good governance agenda) and at the level of external monitoring (by academics, think tanks, lobbyists, national and subnational parliaments) (Costea et al., 2008);

• The deepening of regional integration leads to a more political role of monitoring and a two-way interaction between the regional and national levels. Whereas initially, the national level (member states and other actors) monitors the regional level, when the regional integration process deepens, regional bodies start to monitor the implementation of regional commitments by member states (De Lombaerde, Estevadeordal and Suominen, 2008);

• Monitoring covers the full project cycle. It is not limited to ex post evaluation; it covers the whole cycle, from the policy preparation phase onwards;

• Built-in monitoring agendas are perceived as quite functional;

• The role and quality of national institutions is crucial for (good) monitoring. Especially in the case of young and shallow forms of regional integration (De Lombaerde, Estevadeordal and Suominen, 2008).

4. Technical aspects

The actual design of an indicator-based monitoring system is based on three pillars: the conceptual framework, data and methods.

The conceptual framework should guide the selection of variables and indicators. It can be based on one of the theories from the arsenal of theories available for the purpose, or on a combination of these.4 One should be aware of the fact that many of the available theoretical frameworks are rooted in

---

4 For an overview, see for example, Mattli (1999), Rosamond (2000), Wiener and Diez (2003), Laursen (2003), Söderbaum and Shaw (2003), Farrell et al. (2005), and Malamud and Schmitter (2007).
the European experience, so that transferability should be evaluated. Also, the teleological logic of frameworks like Balassa’s (1961), should be critically assessed. Indicator systems should be sufficiently flexible to allow for region-specific variables. When there is an underlying understanding of the logic of the integration process, variables and indicators can be classified in categories (institutionalized integration versus ‘real’ integration, positive versus negative integration, by sectors, etc.) (De Lombaerde and Van Langenhove, 2005). In indicator-systems set up to monitor regional integration, the indicators are supposed to reflect some aspect of the process. However, as experience shows us (see above), this is not always the case in practise. At the same time it is true that there will always be a grey area between those variables that should be ‘in’ and those that should be ‘out’. Sometimes a simple transformation of variables can turn irrelevant variables into relevant variables. For example, inflation or growth rates that tell us something about the national economies of the member states can be transformed into (regional) convergence indicators.

Other issues come up when designing indicator-systems. For example, systems can be designed at the regional and/or national level of analysis. An example of the latter is the system proposed by UN ESCWA to assess the participation of each national economy in the regionalisation process in the Middle East (UN ESCWA, 2007). Another issue is related to overlapping memberships and poses serious problems to designing indicator systems. Still another issue is related to the question of whether composite indices will be constructed or not. These composite indices might well capture the multi-dimensional nature of the processes and they are easy to read and communicate. However, they might become rather abstract to interpret and the weighting of the different components of the index will always be arbitrary (De Lombaerde, Dorrucci et al., 2008).

My final remark refers to data. When monitoring is based on quantitative data or on a combination of quantitative and qualitative information, one is faced with the problem of data availability. This problem is still more serious at the regional level than at the national level. For many variables that are not mere aggregations of national variables such as intra-regional flows of people, services and capital, or data on regional budgets and policies, systematic data are often still lacking, even in regions with relatively good quality data in general.5

5 5. Comparison and Comparability
My fifth and final point refers to the issues of comparison and comparability. Different contexts, different regional realities and different regional

5 See, for example, OECD (2004) concerning lacking data on trade in intermediate goods, services and intra-firm trade.
architectures exist. These differences, like e.g. the differences with respect to
the European institutional architecture are often confused with differences in
effectiveness, but should not.

Comparison should be sensitive to these differences, without adopting
the opposite extreme position that specific contexts imply that different
processes become incomparable. Different levels of regional interaction and
interdependence, and other aspects of regionalisation can be compared.

Comparison can be based on traditional comparative indicators or on relative
comparative indicators. The latter compare regional performance first with
the region-specific objectives or benchmarks, and then, in a second instance,
across regions. Combinations of both approaches are obviously also possible,
as the indicator system proposed by UNECA has illustrated (UNECA, 2002).
Finally, as the UNECA experience also shows, comparison is still a politically
sensitive issue at the (inter-)regional level, although accepted practise at the
(inter-)national level. When designing an indicator system with a comparative
dimension, this should preferably be discussed previously with the major
stakeholders.

References

(Good) Governance of the Integration Process in the European Union, in: De Lombaerde P.,
Estevadeordal A. and Suominen K. (eds), Governing Regional Integration for Development,
Aldershot: Ashgate, pp. 211-245.
De Lombaerde P., Pietrangeli G. and Weeratunge C., Systems of Indicators for Monitoring
Regional Integration Processes: Where Do We Stand? The Integrated Assessment Journal,
for Development: Summary and Conclusions, in: De Lombaerde P., Estevadeordal A. and
Suominen K. (eds), Governing Regional Integration for Development: Monitoring Experiences,
De Lombaerde P. and Van Langenhove L. (2006) Indicators of Regional Integration: Conceptual
and Methodological Aspects, in: De Lombaerde P. (ed), Assessment and Measurement of
Regional Integration, London: Routledge, pp. 9-41.
De Lombaerde P., Dorrucce E., Genna G. and Mongelli F.P. (2008) Quantitative Monitoring and
Comparison of Regional Integration Processes: Steps Toward Good Practise, in: Kosler A. and


