

ECONOMIC INTEGRATION

This is the nations in the same becoming together by a group of nations in same region to constitute an economic union in order to trade freely with member nation to an extent and wage tariff against the goods and services coming from non-members countries.

TYPES OF REGIONAL ECONOMIC INTEGRATION

1. Free trade area: this occur when member country agree to eliminate tariff
2. Custom union : this is the abolition internal trade restrictions among member countries and common external tariff
3. Common market: this involve free movement and lab our from one lab our and capital among the participating member nations.
4. Economics unions: this is a situation of full economic integration. It goes a step further than the common market. All economic policies are harmonized; there is free mobility of the factors of production.

AIM AND OBJECTIVE OF ECONOMIC INTEGRATION

1. It aim at increasing economic competition among member nation
2. It is aimed at increasing the level of employment opportunities among the member nations
3. It is aimed at establishing common external tariffs
4. It is aimed at increasing trade co-operation and thereby increasing economic activities among member countries
5. To enlarge the local market and increase the participation of member nations in world market

PROBLEM OF ECONOMICS INTEGRATION

1. Absence of infrastructural facilities especially among developing nation
2. Currency differences and difficulty in converting these currencies
3. Absence of large market among member nations
4. Membership of member nations to other association may hinder economic integration
5. Uneven development among the member nations which will create fear and suspicion of domination

