The Fragmentation of the Global and the Integration of the Local: Exploring the Links between Global Governance and Regionalism in a ‘Partially Globalized World’

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Since the 1990s much of the academic discourse in International Relations (IR) and International Political Economy (IPE) focused on the deep structural transformations associated with the process of economic globalization. With increased levels of political-economic and social interdependency across the world accompanied with increased levels of mutual vulnerability, the multilateral system of governance has increasingly lost ground in competition with globalization and the diffusion of threats highlighting the decreased importance of territory. And yet, the forces of globalization have forced governments to rescale to the new realities of a globalized economy creating new spaces of governance. The spread of regional governance frameworks across the world, its re-emergence as a possible conflict resolution mechanism within the UN-framework, as well as the increased tendency of inter-regional interaction indicates that international relations are witnessing a change of the Westphalian system with regions evolving into central arenas and actors of governance. It is therefore that this study will explore what role regional governance frameworks can play in enhancing global governance and thus to tame the negative implications of globalization. In doing so, the proclaimed argument is that the ‘regional’ has evolved into an important ‘meso-level’ in the global governance system, both, in terms of an additional layer as well as in form of powerful actors. Regions can function as intermediates between the local, national, and global levels. As such, regions integrate a broad set of actors linking them to the global and thus help to organize the condition of anarchy at the global level from below, while revitalizing multilateralism from its post-9/11 unilateral interlude. In systematically scrutinizing the links between global governance and regionalism as causally related and complementary responses to the overall process of globalization this paper enters wide uncharted waters, since global governance and regionalism have long been conceived of as inconsistent concepts. In analyzing the theoretical relationship between these concepts, I argue that the notion of regionalism as a part of the process of globalization should not be understood as a process which undermines global governance in its attempt to regulate the global challenges, but which can enhance the capacity of global governance in pushing forward its frontiers.

KEYWORDS: Globalization, Global Governance, (New) Regionalism, Regionalization

1. Introduction

These are times of fundamental change in the international environment that surrounds us. The many global challenges such as environmental pollution, the spread of infectious diseases like HIV/AIDS, human rights abuses in forms such as human trafficking, or international terrorism exemplified by the atrocities of September 11, 2001 are examples of global transformative processes significantly challenging the institution of territorial sovereignty. Moreover, the current financial crisis as it erupted in 2007 has illustrated what the critics of globalization have long been insisting, namely that the doctrine of neoliberalism has constrained the ability of international institutions to implement stricter regulations which might limit the financial and wider economic global fallout. Thus, the concept of global governance as a feasible framework for addressing the growing list of global problems came under critical scrutiny.

Nonetheless, global governance remains the only, if imperfect, framework available for addressing many of the issues on the global agenda. However, the need for critically rethinking its organizational structure is of utmost importance and this will be the task addressed in the pages that follow. More precisely, this paper will argue that a feasible approach of overcoming some of the structural limits of global governance can be overcome through linking this framework with regionalism. The concept of regionalism, I argue, enhances the functionality of global governance in multiplying the institutional interfaces through which global governance institutions can operate and mediate across the entire spectrum of its multilevel structure. Thus, in systematically scrutinizing the links between global governance and regionalism as causally related and complementary responses to the overall process of globalization this paper enters wide uncharted waters, since global governance and regionalism have long been conceived of as inconsistent concepts, with global governance seeking to promote and implement universal values and practices on the one hand, and regionalist projects perceived as processes which enforce local and thus particular values and thus representing a counter-movement undermining the global governance project on the other.

Much of the recent academic discourse in International Relations (IR) and International Political Economy (IPE) throughout the 1990s was concerned with the deep structural global transformations associated with economic globalization as they advanced since the early 1990s. The academic inquiries which composed most of the research agendas in these fields sought new frameworks and vocabulary to explain the end of the Cold War and the turbulent changes in the international system. Addressing the deforming effects the process of globalization has generated in the international system and with regard to the institution of the nation-state through its horizontal and vertical deepening and stretching of social and economic relations across the world, and the increasing number of transnationally operating actors challenging the sovereignty of the nation-state in a world of ‘porous’ borders, the concept of global governance appeared to offer a feasible framework for grappling with the question of how to legitimize and imagine international relations in what appears to be an increasingly ‘post-Westphalian’ world of regions, in which much of the investment and trade flows are directed towards regions due to the proliferation of regional trade agreements, while many of the global problems are addressed by regional multilateral frameworks. Examples of the increased importance of governance on a regional level include the European Union (EU), the North American Trade Agreement (NAFTA), the South American trade bloc of Mercosur, or the Association of Southeast Asian Nations (ASEAN). In the light of this regional dimension of globalization and global governance, a ‘world of regions’ as Katzenstein (2005) has proclaimed seems in the emerging, making it inevitable to scrutinize the role regionalism plays in the broader relationship between globalization and global governance. This is the task I will address in this contribution.

2. ‘Problems without Passports’ and the Borders of Global Governance

While the fundamental changes set in motion through the advancement of economic globalization have provided the leitmotif for creating the framework of global governance in the first place, the dynamics of globalization began to highlight the shortcomings of many of the institutions associated with the international governance system. The number of items on the list of global problems continues to grow, among those problems the struggle for reaching a framework addressing global climate change replacing the 1997 enacted Kyoto protocol, the problem of nuclear non-proliferation as it emerged around Iran’s nuclear energy program suspected of seeking the production capabilities for nuclear weapons, as well as the struggle against the spread of infectious diseases such as HIV/AIDS, SARS or the most recent spread of the H1N1 virus. All this is combined with problems of addressing human rights violations such as the illicit trafficking in persons, or the humanitarian crises of poverty in conflict and war-ridden regions, as well as international terrorism. Challenging these problems constitutes the benchmark by which the performance of global governance needs to be evaluated, suggesting that the current institutional structure of this system has not been able to catch up with these problems in seeking consensus on common frameworks to overcome these collective action problems. In fact, as Rosenau has critically remarked, the current system of global governance institutions took more the form of a ‘crazy quilt’ patchwork rather than an organized pattern of resolution-seeking and decision-making (Rosenau, 1999: 293). This line of argumentation accumulates in a great paradox. While the challenges facing the international community assembled under the roof of the United Nations increase, the international society remains unable or unwilling to craft solutions of a universal reach illustrating what Barnett and Finnemore (2004) have termed the ‘pathology’ of international organizations. In short, while Kofi Annan (2002) has explained we live in a time in which problems travel without passports, the reality of global governance is that solutions do not. The resulting condition of the international society is that of a dense system of governance institutions which remains what Hedley Bull has forcefully theorized under the notion of an “anarchical society” (Bull, 2002). In this ‘anarchical society,’ Thakur and Langenhove argue, “[c]ollective security is an idea, not a reality,” illustrated by the many humanitarian crises in the 1990s (Rwanda in 1994, or Darfur since 2003, to mention only the most sever examples of collective blindfolding) which remained unanswered with powerful international institutional responses.

The global proliferation of conflict and poverty has illustrated the limited capability of global governance. In other words, while the global governance system is now populated by many transnational actors forming large coalition networks which mobilize resources and advocate norms on a global scale (Keck and Sikkink, 1998), the dominant player on the stage remains the state ensuring that the same system does not encroach on its interests, hence creating borders for effective global governance. The resulting picture is what Slaughter has termed the ‘globalization paradox,’ arguing that “[w]e need more government on a global and a regional scale, but we don’t want the centralization of decision-making power and coercive authority so far from the people actually to be governed” (Slaughter, 2004: 8). The globalization paradox is essentially a “governance dilemma.” While Cooper et al. remind us that “[a]s the dominance of globalisation was revealed, so did the emergence of demands for more innovative types of governance to condition its effect” (Cooper et al., 2008: 2), Keohane (2001) has argued that it is the lack of “more innovative types of governance” which has turned ours into a “partially globalized world.” Taming globalization, thus, “depends essentially on effective governance, now as in the past. Effective governance is not inevitable. If it occurs, it is more likely to take place through interstate cooperation and transnational networks than through a world state. But even if national states retain many of their present functions, effective governance of a partially — and increasingly — globalized world will require more extensive international institutions. Governance arrangements to promote
cooperation and help resolve conflict must be developed if globalization is not to stall or go into reverse” (ibid.). What is needed, Keohane concludes, is the ‘right kind of governance.’

The structural shortcomings of the international governance system leading to its failure to produce effective and sustainable solutions for many of the problems on the global agenda throws a critical light on global governance as a framework for addressing the challenges of globalization (ex. Hurrell, 2007; Müller and Lederer, 2005). Inquiring into alternative forms of countering the implications of economic globalization on the one hand, and the fragmentation of power as well as the proliferation of new threats in the international society challenging the sovereignty of the state on the other hand, an emerging body of scholarship has focused on the reinvigorated role of ‘regionalism’ (precisely in its ‘new’ theoretical appearance) in addressing the “globalization paradox” in international relations (Cooper et al., 2008; Farrell et al., 2005; Hettne, 2005). And yet, although the link between globalization and global governance has been well studied, systematic study of the role of regionalism in relation to global governance has been a means to address the challenges of globalization remains an ‘undertheorized’ subject, not the least because it forces us to engage in normative reasoning. While the central concern of this paper is the above framed globalization paradox, I will engage in the question of what role regionalism can play in finding solutions to the many collective action problems. In doing so, I wish to provide a theoretical conception of regionalism as an integral part in and not an opposing project to global governance, sharing the same goals in terms of regulating the implications of globalization.

3. Globalization and Regionalism: A World Order between Fragmentation and Integration

3.1 Globalization and the Emergence of Global Governance

The ‘bringing back in’ of regionalism in the study of international relations and its conception as the feasible supplement to or even complement of the current system of governance at the international level needs to be seen in direct correlation with the challenges globalization inflicted on nation-states and nation-societies and the (in)efficiency of global governance composed of its intergovernmental networks in addressing these challenges.

Globalization not only became the buzzword of the academic discourse in the 1990s sparking an entirely new industry of social science scholarship, but its theoretical grounds have remained highly contested. Globalization means different things to different people, some supportive and many others hostile to its progress. This section will follow in its understanding of globalization the definition provided by Held et al. (1999: 16) according to which globalization can be understood as “a process (or set of processes) which embodies transformation in the spatial organization of social relation and transactions—assessed in terms of their extensity, intensity, velocity and impact—generating transcontinental or interregional flows and networks of activity, interaction, and the exercise of power.” I wish to apply this definition as a fix point for the following discussion not only because it opens up the globalization discourse for the possibility of regionalism but also, as Altvarer and Mahnkopf (2007: 30) have pointed out, because the use of the term ‘transformation’ catches up with the already existing global dynamics and their ‘transformative’ effects on the political economy of the nation state. Moreover, as I will argue later in more detail, the notion of ‘transformation’ as it relates to the work of Karl Polanyi (The Great Transformation, 1944) conceiving globalization as a process of a ‘disembedding’ of the market from society allows us to develop an understanding of political intervention (i.e. re-embedding of the market into society) in response to globalization. It is here that the conceptual interface between globalization, global governance, and regionalism can be located, since the latter two represent an attempt to ‘tame,’ that is, to ‘re’-regulate the dynamics of globalization.

Therefore, for many scholars as well as the people in general the concept of globalization is mainly associated with the increased number of people and markets who are integrated in global trade and investment flows which gave rise to the notion of the ‘global market.’ The supportive readings of the expansion of the global market conceive that globalization’s economic liberalization, competition and innovation will ultimately result in the increase of net benefits for societies and states through improving the overall material welfare of societies. Globalization’s opponents, on the other hand, believe that the triumphalism of global economic liberalization will not increase but reduce overall welfare through exposing national labor markets and industries to higher levels of competition which may result in the relocation of production sites and capital and investment flows to less cost intensive and thus more competitive locations. In addition to the fears related to the high degree of capital mobility in a globalized market, others criticize the process of globalization with regard to its implications for standardization of consumption patterns and hence the standardization of cultural value and belief structures posing threats to distinctive ways of life. Against this background of different perceptions of ‘globalization’ ranging from an emphasis on hope and opportunity to arguments framing globalization as a destructive process threatening social welfare and cultural diversity, Mathias Koenig-Archibugi breaks down the possible concerns related to globalization into two critical beliefs: firstly, economic globalization as a force which undermines and erodes national democratic governance, and secondly, the increase of social inequality and injustice through economic liberalization (Koenig-Archibugi, 2003: 3). More precisely, he argues that globalization has fundamentally undermined the ability of societies and governments to self-govern due to the ‘hollowing out’ of democracy, leaving behind institutional frameworks while significantly decreasing the actual economic and political options states and societies have to address the challenges of globalization. Thus, the liberalization of national economies and their consecutive integration in the world market has critically challenged the institution of democratic
citizenship, which is based on the prerequisite that members of a given community obtain collective control of this community. This ability of citizens to implement regulations to control their community based on decisions generated through processes of deliberation, expresses what is known under the concept of democratic citizenship. Yet, precisely this democratic citizenship is under stress due to the fact that through globalization the relationship between society and the market has fundamentally changed.

While in the succeeding decades after World War II a relative balance existed between an international openness of markets and democratic self-governance characterized by the welfare regimes in Western societies in which competition was in large parts limited to companies of the same country of origin bound to an widely adhered to set of functioning regulatory mechanisms, for example, in corporatist or developmental state regimes, this ability to self-govern became challenged with the ascendancy of economic interdependence since the 1970s (Keohane and Nye, 1989). The increase of transnational capital flows has challenged what Koenig-Archibugi has termed the “Golden Age of welfare capitalism” of the democratic states (Koenig-Archibugi, 2003: 4). With the spatial expansion of the mobility of capital and people increased also the global mobility of threats, such as environmental pollution and transnational crime. The result of this can be described with reference to Polanyi’s work discussed by Elmar Altvater and Birgit Mahnkopf in their analysis of the ‘limits of globalization,’ is the historical tendency of a “disembedding” of market forces from its former ‘bed’ of society, hence resulting in a society-economic market relationship in which the former is now embedded in the latter (Altvater and Mahnkopf, 2007: 16). Hence, the “disembedding” of the market through the ‘forces of globalization’ has generated individuals who in a globalized age are citizens of a community while at the same time they are also investors in a highly mobile global market; or to rephrase this in a more simplistic notion: today’s citizens are both, societal stakeholders and economic shareholders at the same time. Here, Koenig-Archibugi proclaims that this competition of roles tends towards the investor and consumer individual, who constantly seeks higher profits and lower prices, undermining democratic citizenship “which risks becoming less and less meaningful because of the declining opportunity for collective self-governance” (Koenig-Archibugi, 2003: 4).

The argument that economic globalization exacerbates social inequality and injustice is a contested supposition fed by the continuity of the seriousness of poverty and its related problems of violent conflict and spread of diseases across the world emphasizing the problematic relationship between the unequal distribution of opportunity and globalization (Koenig-Archibugi, 2003: 5–7; see also Hurrell and Woods, 1999). Although, the fact is contested as to whether globalization exacerbates or decreases inequality between countries, and whether this inequality is the result of globalization or marginalization, economic globalization has made it increasingly difficult for governments and societies to implement national governance goals to address the challenges inflicted by economic globalization.

And yet, these arguments represent only one aspect of the discourse on globalization. Friedrich Kratochwil has pointed out that for those who see in the process of globalization not a decrease of options in the wake of a faltering democratic governance but new choices and possibilities, the framework of ‘global governance’ emerged into the most relevant frame of reference. What has turned into an observable fact, he argues, is that especially since the events of September 11, 2001 the resistance towards governance at the global level and what Kratochwil has termed ‘atopian’ notions of transnational networks and global civil society has turned into a more realistic discourse on how to ensure regulation and ‘governability’ by institutions at the global level (Kratochwil, 2007: 270–1). Thus, it has become undeniably clear that sustainable and accountable solutions to transnational problems such as terrorism, human trafficking or climate change are not reached through the imposition of unilateral force but require broad inclusive multilateral frameworks.

Thus, however we approach globalization, supportive or hostile, it seems safe to argue that the forces of globalization have caused fundamental change in the political economy of national and international politics as well as social life. Thus, Kratochwil contests that the process of globalization “has become a container for various complex processes of transformative change,” that is, as globalization causes observable changes, it has obtained some traces of an “acting unit” (Kratochwil, 2007: 271). In this context, Kratochwil identifies three important transformative changes associated with the process of globalization. Of foremost importance is the spread of communication technologies which have created thick networks of transsocietal interconnectedness and thus caused significant temporal changes in communication and hence the overall means of interaction across all spheres of daily life while significantly ‘flattening’ our world through penetrating borders, and exposing governments to political pressure (as at the time of writing the events in Iran in the summer of 2009 have impressively illustrated) and making governments more democratically accountable. The second major development Kratochwil wishes to emphasize addresses the increased integration of financial markets into one “single institution” at the global level linking national markets while financial transactions are made on a twenty-four hour basis. A third major development which occurred in the wake of globalization is the emergence of transnational advocacy coalition networks and hence aspects of a global civil society in which an increasing number of state- and nonstate actors are competing in the market of ideas (ibid.: 271–2; see also Keck and Sikkink, 1998; Tarrow, 2006).

In our attempt to develop an informed position on the relationship between globalization and governance as a stepping-stone for discussing the role of regionalism in world politics, it is of great importance to emphasis especially the second development identified by Kratochwil, that is, integration of financial markets at the global level. It is precisely this development which in terms of its broader implications with regard to the fundamentally altered
(disembedded) relationship between the market and the political and social system has sparked a debate on the decreasing ‘steering capacity’ of the state, i.e. the effectiveness of national policies to achieve given governance goals (Kratochwil, 2007: 272; Zürn, 2003: 348). Recalling Koenig-Archibugi’s (2003) concerns emphasizing the undermining effects inflicted by globalization on democratic governance, these are reflected in Kratochwil’s remarks according to which it is this particular penetration of the global market which has sparked fears of an undermining of the classical welfare state from below due to its increasing challenges to its capacities for delivering public services paralleled by fears of a ‘hollowing out’ from above due to the fall of many regulatory mechanisms on the one hand and the transfer of many of the regulatory tasks formally performed by the institution of the state to international or supranational institutions (Kratochwil, 2007: 272).

In what I have attempted to lay out in a rather sketchy approach to the notion of globalization reveals two important theoretical arguments which allow me to precede to the next waypoint on my journey of discussing the role of regionalism in world politics, that is, global governance. On the one hand we have arguments regarding the undermining effects of globalization on the institution of state-sovereignty resulting in claims like that put forward by Susan Strange arguing that with the diffusion of power in an age of advancing economic globalization, the authority of the state is in fact retreating as territorial boundaries are increasingly blurred by the transcending dynamics of societies and the market (Strange, 1996: 3–15). The diffusion of power has resulted in a multidirectional outflow of authority upwards towards international institutions, sideways towards global markets, and global social movements, and downwards towards subnational bodies (Payne, 2000: 203). The strongest notion of this structural transformation stimulated by globalization is represented by ‘hyperglobalists’ such Kenichi Ohmae who saw in the development of globalization signs indicating the ‘end of the nation state’ and within the importance of territory as a constitutive element of the old ‘Westphalian system’ of sovereign states (Ohmae, 1995). The other main argument, as Payne suggests, is primarily skeptical towards the idea of self-catalytic dynamics of global market integration, arguing that in fact globalization is an outflow from the interaction of national capitals in which states still possess considerable authority over the institutions regulating the market (Payne, 2000: 204). In fact, the truth can be located, perhaps, right in the middle between these two arguments. While the argument cannot not be dismissed that globalization has resulted in a diffusion of power and a shift from hierarchical towards increasingly horizontal networks of policy-making in what is today not merely an international but a global society constituted by a broad set of state- and nonstate actors (Yamamoto, 2008: 126).

At the same time, as Payne points out, depicting the state against globalization is misleading, because globalization takes place as process ‘embedded’ within the state structures, affecting the nature of the state in the heart of the process of globalization. The conclusion which flows from this argument is worth quoting at length as it is formulated by Payne: “The state is neither transcended nor unaltered in some overarching, all encompassing fashion: instead each state is finding that its relationship to key social forces both inside and outside of its national space is being restructured as part and parcel of all the other shifts to which globalization as a concept draws attention. In other words, the roles (not role) that can now be played by states (not the state) will vary with their history, their leadership, their location in the world order and so on” (Payne, 2000: 204, emphasis in the original). Thus, while the state continues to be the dominant actor in international relations, economic globalization has demanded a readjusting of its governance structures taking into account the pluralization of actors and the declining importance of territory in a world of 24 h financial transactions, advancing communication and information technologies, and new security threats.

3.2 Global Governance as ‘Political Denationalization’ beyond the State

These are dynamics of globalization which inspired the formulation of the concept of governance. Kratochwil has argued here that “[t]he identification of options for control and the search for levers for action marked the shift in focus from ‘globalization’ to ‘governance’ ” (Kratochwil, 2007: 273). Strictly speaking, the general thought which underpinned this shift is that despite the mounting pressure globalization has put on national institutions, options to address this pressure remain available, while at the same time, as Kratochwil remarks, “the arena is no longer restricted to individual nation states alone” (ibid.). Moreover, while the emergence of governance at the global level was on the one hand causally related to seeking a regulatory mode to address the infringing effects of globalization in an international system characterized by the absence of a supranational authority in form of a world government (thus, the conceptualization of the international system as an anarchic world order), global governance was according to Kratochwil also an attempt to rescue the increasing number of failing and failed states of the global ‘South’ and an attempt to pull over the ‘transition states’ of the former Soviet bloc into conditions of stable democratic governance (ibid.; see also Slaughter, 2004: 9).

Therefore, globalization and the emergence of governance must be conceived in a direct causal relationship. Hence, when Keohane and Nye (2000: 1, emphasis in the original) ask “how will globalization be governed,” I wish to argue in response that governance at the international level represents an attempt to reinvigorate the infringed capability of ‘steering’ by governments which has been challenged at all levels of the international system politics. Andrew Hurrell argues in support of this understanding, contesting that “global governance is best understood as a response to the increasingly serious collective action problems generated by growing societal, ecological, and economic interdependence” (Hurrell, 2007: 15). In addition to this general understanding of governance in relation to globalization, Michael
Zürn (2003) has suggested, while following the line of argument taken by Keohane and Nye (2000), that we distinguish between societal and political economic interconnectedness as the main feature of contemporary international relations and globalization as the process of generating this condition of interconnectedness. If we recall Keohane and Nye’s (2000: 2) definition of globalism understood as a “state of the world involving networks of interdependence at multicontinental distances,” while globalization is understood as “the process of increasing globalism… [i.e.] the process by which globalism becomes increasingly thick” (ibid.: 7, emphasis in the original), then Zürn’s conception of interconnectedness equates the notion of globalization. However, what Zürn’s conceptualization of the relationship of governance and globalization makes it so useful in my discussion here is that he clearly emphasizes the asymmetrical way in which globalization advances in creating “global social spaces,” enlarging the OECD zone while at the same time decoupling other world regions from the emerging “global North.” It is for this reason, then, that Zürn refines the notion of globalization as understood in his work as a process of “societal denationalization” which takes into account the limited ‘global’ scope of economic globalization (Zürn, 2003: 344–5). If we allow ourselves to follow the argumentation of Zürn then governance beyond the nation state is consequently a process of “political denationalization” which he defines as a process that “increases the role of governance beyond the nation-state relative to national forms of governance” (ibid.: 348).

In other words, national governments seek to ‘rescale’ their capability to achieve their governance goals through a process of externalizing national governance functions. In order to achieve their national governance goals, Zürn argues that governments can enforce three different forms of ‘political denationalization,’ here referred to as (1) governance with government, (2) supranational governance, (3) governance without government (Zürn, 2003: 348–55).

In more concrete terms, governance with government means the international governance system centered on the institutional system with the United Nations (UN) as its core. Supranational governance describes a mode of governance in which countries agree to transfer functions from the national level to the supranational level and thus to pool parts of their sovereignty in a supranational institutional framework. The classical example for this notion of governance is the European Union (EU). Governance without government represents what we commonly refer to as global governance. This notion emerged as an increased number of non-state actors began to demand inclusion in the global policy networks. Against the background of this theoretical conceptualization of governance at the international level, we can now argue that while international governance attempts to enshrine the dominant role of the nation-state in international relations, global governance represents the normative project broadening the concept of governance beyond the state by including the emerging global civil society (cf. Friedrichs, 2005). Furthermore, taking into account Kahler and Lake’s notion of the dimension of centralization of authority in analyzing governance, i.e. to measure the extent to which power is diffused in the institutional networks which compose the governance structure, we can imagine a spectrum ranging from low (−1) to high (+1), with −1 indicating the highest degree of authority decentralization in the governance system and +1 the highest degree of centralization respectively. Centralizing authority in this conceptualization shall be conceived as the number of stakeholders who participate in decision-making at the institutional level of governance beyond the state. Hence, while the notion of supranational governance would be marked with highest degree of power concentration conceived from the perspective of its composing institutional framework, international governance would constitute the conceptual middle of this spectrum. The resulting conceptual picture is shown in Table 1 below.

<table>
<thead>
<tr>
<th>Centralization of Authority</th>
<th>Type of Governance</th>
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<tbody>
<tr>
<td>Low (−1)</td>
<td>Global Governance</td>
</tr>
<tr>
<td>Medium (0)</td>
<td>International Governance</td>
</tr>
<tr>
<td>High (+1)</td>
<td>Supranational Governance</td>
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Source: Compiled from Kahler and Lake (2003), and Zürn (2003).

Considering the increasing number of actors in the international society the enhancement of transnational inclusive horizontal governance networks at the global level appears to be an important step to ensure democratic governance. Yet, while global governance represents the normative notion of governance at the global level the question must be asked whether the greatest extent of decentralization can be considered as the most feasible way of addressing the set of global challenges. Decentralization of authority does not only highlight the importance of horizontal and vertical networks as an ordering principle in international relations (Slaughter, 2004), but requires also to seek feasible frameworks for coordinating such networked governance, since high levels of decentralization brings us a step closer towards the condition of anarchy, or what Tosa (2006) has termed “anarchical governance,” that is the condition under which in regard of governance networks their vertical and horizontal outreach is constrained, creating spaces which are excluded from the ‘governed’ space (i.e. in Bull’s sense the anarchical society), which creates the problem of the excluded ‘other’ (Tosa, 2006: ii–v, 129–30).
At the same time, the tendency towards an enhanced decentralization of authority at the global level appears to be inevitable as the process of globalization describes a dual movement which has unleashed the forces of fragmentation and integration continuously reinforcing each other, and letting the pendulum of centralization at the global level constantly swing between international governance mechanisms enforced by nation states to maintain their dominant role in international relations and global governance on the other side, enforced by an increasing number of new actors brought to life through globalization or in response to it. This contested nature of the politics of governance (in their international or transnational appearances) is what has created the loose patchwork of governance rather than effective frameworks of cooperation and collaboration and thus explaining the structural causes behind the ‘governance dilemma.’

Therefore, the forces of fragmentation and integration unleashed by globalization strongly condition the notion of governance. Or to argue with Rosenau, who has framed this complex interplay of forces in today’s turbulent world of globalization under the notion of ‘fragmegration’ arguing that what “we live in and study [is] a fragmegrative world that cascades events through, over, and around the long-established boundaries of states and, in doing so, relocates authority upwards to transnational and supranational organizations, sideways to social movements and NGOs, and downwards to subnational groups. It is a world in which the logic of governance does not necessarily follow hierarchical lines, in which what is distant is also proximate, and in which the spatial and temporal dimensions of politics are so confounded by fragmegrative dynamics as to rid event sequences of any linearity they once may have had” (Rosenau, 1999: 293). This line of argumentation, which conceives globalization as a process embracing the forces of fragmentation and integration while at the same time emphasizing the limits of governance by governments at the national level as well as in its international and global versions finally leads us to the notion of regionalism and explains its increased importance as a principle of approaching world order.

And yet, at first sight, the relationship between regionalism and global governance, as well as between regionalism and globalization seems to describe a contradiction, since for global governance the ultimate goal is the rule-setting at the universal level, and collective problems are supposed to be addressed through the formation of transnational coalition networks while globalization has been associated with the integration of the market at the global not the regional level. It is therefore that regionalism ended up in being described as a counter-project undermining global governance on the one hand and globalization on the other. As I will describe in the following section, this conception of regionalism as a ‘stumbling block’ is misleading because it dismisses the great potential of regional governance as a mechanism for overcoming many of the collective action problems. Moreover, considering the regional layer as an important level of analysis enables us to achieve both a relative diffusion of authority into the channels of regional governance networks while at the same time gaining more efficient patterns of organization and decision-making at the global level.

4. The Regionalization of Global Governance

4.1 The Re-emergence of ‘New Medievalism’

Conceiving regionalism as an alternative ordering principle is nothing new but was prominently theorized by Hedley Bull as early as in 1977. Bull has argued that as an alternative model for the anarchical society based on the sovereign states a post-Westphalian world order could as well resample its pre-condition, which he described under the notion of a ‘new medievalism.’ Bull defined this notion as an alternative to the modern state system in which “no ruler or state was sovereign in the sense that of being supreme over a given territory and a given segment of Christian population” (Bull, 2002: 245). Observing the development of the European Community (EC) during the 1960s and 1970s Bull anticipated the likelihood of such a ‘new medievalism’ arguing that it could well be imagined that the developments in international politics given the increased degree of interdependence and number of actors on the international stage, will lead to a similar though secular form of mediaeval organization, that is “a system of overlapping authority and multiple loyalty . . . [in which] . . . the state has to share the stage with ‘other associations’ ” (Bull, 2002: 245). What has been vaguely referred to as ‘other associations’ can today, of course, be replaced with the reality of transnational corporations (TNCs), international organizations (IOs), and international nongovernmental organizations (INGOs) which have been generated by the dynamics of globalization as well as the emergence of new transnational problems which have significantly infringed on the institution of state sovereignty. Although Bull’s notion of a ‘new medievalism’ remained largely unnoticed in the study of IR, it reemerged in the 1990s, not the least through scholars like John G. Ruggie who has advanced the argument in proclaiming that the crisis of the nation state was in fact a crisis of modernity in itself. Ultimately, Ruggie has argued that in times of globalization territorial sovereignty is “unbundled,” arguing in a postmodern fashion again with Europe in mind that this “nonterritorial global economic region is a world ( . . . ) that is premised on what Lattimore described as the ‘sovereign importance of movement,’ not of place. The long-term significance of this region, much like that of the medieval trade fairs, may reside in its novel behavioral and institutional forms and in the novel space-time constructs that these forms embody, not in any direct challenge that it poses as a potential substitute for the existing system of rule” (Ruggie, 1993: 173).

Emphasizing the ‘new medievalism’ discourse as it reinvigorated in IR and IPE is important because it has provided a feasible bridge in highlighting on the one hand the fragmentative power of globalization while on the other hand...
connecting the notions of globalization and governance and thus raising the question of how the implications of globalization can be governed (cf. Payne, 2000: 208). An increasing number of academic works see in the notion of regionalist governance a feasible framework for ‘taming globalization’ (Cooper et al., 2008).

4.2 The Study of Regionalism: A Very Brief Overview of the Field

The study of regionalism and regionalization in the field of International Relations (IR) and International Political Economy (IPE) reinvigorated since the 1990s, due to the proliferation of numerous new regionalist projects in form of trading blocs such as the North American Free Trade Agreement (NAFTA, founded in 1994), or the regional trade agreement of Mercosur in South America founded in 1992 and updated in 1994. Other important regionalist projects include the Asia-Pacific Economic Cooperation (APEC) forum, founded in 1989, the first Leader’s Meeting of which occurred in 1993. Moreover, established regional organizations such as the 1967 founded Association of Southeast Asian Nations (ASEAN) became assertive in a broad area of policy issues, while at the same time the West European states continued their project in forming the European Union (EU) and a monetary union with the creation of the euro currency in 1992. With a primary focus on the growing dynamics of economic integration the ‘regionalization of the global political economy’ caused a resurgence of the interest in the study of regionalism (Gamble and Payne, 1996; Fawcett and Hurrell, 1995; Mansfield and Milner, 1997).

This is not to suggest that the study of regional integration is a novel field. In discussing the various theoretical attempts to explain regionalism, Hettne distinguishes between an ‘old’ and ‘new’ regionalism. In doing so, he follows Bhagawati who as suggested to divide the study of regionalism into two periods, the first marking its failure in the 1960s, and the second the revival of regionalist projects in the 1980s (Bhagawati, 1993: 28–29). In the discipline of IR the theme of regional integration advanced to substantial prominence in the 1950s, drawing its impetus from the emergence of the European Coal and Steel Community (ECSC) proposed in 1950 by the French Foreign Minister Robert Schuman and formally established in 1951 with the goal to prevent a further war between Germany and France by regulating the industrial sectors crucial for a war industry. The ECSC, as the forerunner of today’s EU was the first attempt at creating a supranational organization and marked the ‘first wave’ of regionalism, i.e. the ‘old’ regionalism which put its focus on the process of regional integration, that is, the creation of supranational organizations (cf. Sandholtz and Stone Sweet, 1998). Another important impetus for the regional focus of IR was the process of decolonization and nation-state building in Africa and Asia, which marked for the first time the globalization of the Westphalian system across the world.

Its intellectual high point was the theory of integration achieved in the work of Ernst Haas articulated in his theoretical notion of neofunctionalism. In contrast to previous attempts of theorizing political unification, Haas thought to bring ‘politics’ back into integration theory. He proclaimed that technical solutions require political decisions. Therefore, as Hettne has paraphrased this argument, the focus rests with “process” and “purposeful actors” (Hettne, 2005: 546). Cooperation as a mode of collective conflict resolution may generate what Haas has termed ‘functional spillover’ which is defined as the expansion of a task into other areas (Haas, 1961: 368). It is this mechanism which drives and deepens integration. With Europe as the primary focus of the ‘old’ generation of theoretical work, this first wave receded soon to a lower tide of scholarship in the 1970s. The early normative work was soon confronted with political developments on the ground, here especially de Gaulle’s reluctance to integrate France in the European framework, which did not fit the pattern of progressive spillovers from functional cooperation to political unifications central for the neo-functional research program.

After the ‘first’ wave of studying regionalism against the background of Western European integration has been declared ‘obsolescence’ by its main proponent, recent years have witnessed a resurgence of the study of regionalism as it has become an important area of inquiry in the fields of IR as well as IPE. However, the diminishing neofunctionalism made fruitful inroads into other theoretical approaches analyzing regional integration. The ‘second wave’ of scholarship brought with it some theoretical advances, shifting the focus away from an exclusive state-centric view of regional integration. Taking into account the political bargaining processes in the EU, or the evolving and function of multi-level governance structures in the EU, as well as the importance of identities and interests in the context of regionalism, the study of regionalism went beyond the old theoretical normative assumptions of technocratic cooperation, and its monocausal focus on economic integration, heavily biased by the European experience extending the focus of analysis to other world regions and different kinds of regional dynamics such as the formation of security communities. These advances in the field went beyond the over-simplified theoretical division line separating institutional from power-orientated explanations of regional integration.

In short, the development of regional integration theory reflects the great theoretical shifts and challenges in the discipline of International Relations. After diminishing in the 1970s the theoretical approaches towards regionalism made a comeback and developed into an important subfield of regional integration theory, especially after the collapse of the Cold War structure with the beginning of the 1990s and enhanced intra-regional trade and investment flows. Today, comparative regional integration theory represents an established subfield in IR theory as the inclusion of the entry “Comparative Regional Integration” by Choi and Caporaso (2002) in the prominent Handbook of International Relations illustrates.
4.3 Theorizing the Globalization-Regionalization Nexus

In the following section I wish to engage in exploring the concrete theoretical aspects of regionalism and the processes which lead to the emergence of regions.

As Hurrell has argued, the concepts of region and regionalism are ambiguous terms (Hurrell, 1995: 38). While the problem of regionalism has attracted much academic attention, scholarship has not provided us with a consensus on defining these concepts. Although, as Hurrell points out, geographic proximity remains an important aspect of distinguishing regions from other “lesser than global” organizations, regions are usually theorized in terms of social cohesiveness (ex. history, culture, language, religion), economic cohesiveness (ex. trade and investment flows), political cohesiveness (regime types, ideology), as well as organizational cohesiveness (ex. regional institutions) (Hurrell, 1995: 38). And thus, while scholarship on regionalism has broadly varied in where to put the focus, most scholars in the field have achieved consensus on the fact that regions are social constructions created through politics, just as Anderson’s nations are as “imagined communities” the result of human agency and therefore politically contested (Katzenstein, 2000). In other words, as Grugel and Hout argued, who is inside a region and who is not is subject to political negotiations (Grugel and Hout, 1999: 9). Henceforth, Beeson has argued that “there is nothing ‘natural’ or inevitable about the course of regional development; it reflects specific national and regional histories, contingent constellations of power and interests, and the wider global environment of which they are a part” (Beeson, 2007: 2). According to Pempel, the key feature of regions is their fluidity in form; regions are fuzzy objects which can be “remapped” according to the issue area in question (Pempel, 2005: 28). In short, regions are what states make of them.

The concept of region in international relations is usually treated as a supranational subsystem of the international system. Definitions, as we have already learned, vary according to the problem under investigation. Actors perceive and interpret the ideas of ‘region’ and ‘regioness’ differently, which highlights the fact that regions are socially constructed. In analyzing the emergence of regions in the complex interplay between regionalism and globalization, Hettne understands regions as “endogenous processes” in which regions are not merely “geographical or administrative objects in the making (or un-making)” (Hettne, 2005: 548). The boundaries of regions are shifting as well as the capacity of regions as actors, which is referred to as “regioness.” Regioness is defined as the “position of a particular region in terms of regional cohesion, which can be seen as a long-term historical process, changing over time from coercion, the building of empires and nations, to voluntary cooperation” (ibid.: 548). The evolution of regioness can be equated with the evolution of a region as an institutionalized entity in the international system. Here, five levels of regioness are distinguished. The first level describes the “regional space,” i.e. the geographic area delimited by certain natural physical borders. The second level identified by Hettne describes regions as “translocal social systems,” i.e. that is notion in which human inhabitants develop in a region translocal relationships between prior isolated communities. The third level speaks of regions in terms of an “international society,” characterized by the existence of certain norms and rules coordinating the actions of the region’s member and enhancing mutual trust through increased predictability. The fourth level describes regions as communities, meaning that organizational frameworks emerge facilitating and promoting social communication within the region and enhance the convergence of values held by the members of the region. The fifth level of regioness identified by Hettne is that of regions as institutionalized polities which obtain fixed structures of decision-making and which can to an enhanced extend operate as actors by themselves (ibid.). These normative levels of “regioness” can be employed to characterize regions and to describe the development process of regional integration, whereas the region as an “institutionalized polity” can mark a feasible line of development of the overall process of regionalism.

Finally, based on this understanding, we shall add some substance to the construct of the emerging regions. Here, Hurrell suggests that three of the most essential features of the process of regional cooperation and integration and thus creation of ‘regioness’ are “regional awareness,” “regional identity,” and “regional consciousness.” All three notions, Hurrell argues, are “inherently imprecise and fuzzy” (Hurrell, 1995: 41). These elements are essential if a given region wants to evolve into something more than a simple geographically determined area. Hurrell defines “regional awareness” as the “shared perception of belonging to a particular community” which can be defined on the basis of internal factors such as common culture or history, or in contradistinction to some external ‘other’ (ibid.). Regional cohesion refers to the possibility by which processes of regionalization, regional interstate cooperation, state-led regional integration, as well as the emergence of regional awareness and identity generate a cohesive and consolidated regional unity. However, conceiving regional integration in terms of enhanced regional interdependence and networks, Hurrell contests that this interdependence must impose “significant potential costs on important actors” inside and/or outside the region, or cause “a shift in the distribution of political power,” or when outside elements force actors to “define their policies towards individual regional states in regionalist terms” (ibid.: 44).

At this point we can identify broad types of regions, i.e. physical and functional regions, with focus in the light of the new regionalism discourse on functional regions. This shift of focus can be described with reference to two major causes, as identified by Väyrynen. The first change refers to the shifting weights of the various levels of analysis in the international system, i.e. the global, regional, and national and the links between these levels. Where during the period of the Cold War most regions were either political or mercantile clusters of neighboring states embedded in the larger
international system divided into two great blocs: the western liberal order and the Soviet alternative. The polarization of power in the international system shaped regional order, for example in the form of the two political and military ‘superregions’ of the North Atlantic Treaty Organization (NATO) and the Warsaw Pact (Väyrynen, 2003: 26). Yet, this clear geostrategic role of regions changed significantly since the end of 1980s as new organizations proliferated on subregional and microregional levels, illustrated by the founding of Baltic Council of Ministers, the Shanghai Group (now, Shanghai Cooperation Organization), or Mercusor (ibid.: 26), illustrating the attempt of states to rescale on the regional level in the face of these global transformative processes.

As a second major change identified here is the differentiation between physical and functional regions, thus a change which is causally related to the shift in the weight of the level of analysis. As physical regions Väyrynen defines “territorial, military, and economic spaces controlled primarily by states,” whereas functional regions are defined as thus spaces shaped by nonterritorial factors such as culture and the market largely characterized by the activities of nonstate actors (Väyrynen, 2003: 26–7). The distinction between physical and functional regions is important, because it frees us from the constraining theoretical boundaries of the notion of anarchy in the international relations under which states engage in the creation of states as regional security complexes trying to control a given territory. As for functional regions, the notion of anarchy as a mere self-help system does not apply, since it is here that states and nonstate actors engage in the construction of regional frameworks driven by economic, environmental, or cultural concerns from which the interplay of these processes create fluid, and functionally multilayered regions (ibid.: 27). In short, Väyrynen’s argument of a shift from physical towards functional regionalism is a comprehensible argument because it takes into account the deep transformations of globalization with its eroding effects on boundary and territory and the deforming effects on the institution of state-sovereignty. Thus, as we have argued in the first section, in the wake of globalization territory is increasingly replaced by spaces characterized by the intensification of interaction across all levels of the international system, putting more emphasis on functional concerns than traditional physical threats such as war between great powers. In fact, not only can a shift from physical to functional regions be observed, but a transformation of regionalism which is in general much less sovereignty bound (cf. Acharya, 2002; Pempel, 2005).

This complex change in the constellation of world order provided the impetus for the emergence of the paradigm of ‘new regionalism’ which brought the region back into the study of international relations. In the face of this development, Hurrell remarks that the study of new regionalism has underlined the fact that despite its dominant economic form, regionalism constitutes a more complex and dynamic process thus stating “an unstable and indeterminate process of multiple and competing logics with no overriding teleology or single-end point. Dynamic regions are inherently unstable with little possibility of freezing the status quo” (Hurrell, 2007: 243).

The question now is what processes make regionalization possible and what kind of world order will emerge from regionalism?

The processes by which regions are shaped and reshaped and which have generated this shift described above derive from two different directions: exogenous forces generated in the international system shaping the region from without, and endogenous forces which shape the region from the inside (see Figure 1). Exogenous and endogenous forces are causally related and constantly interact with each other. It is here that in the study of regionalism a distinction is commonly made between the processes of regionalism and regionalization. Breslin and Higgott define regionalism as “state-led projects of cooperation that emerge as a result of intergovernmental dialogues and treaties,” whereas
regionalization is understood as a process of integration which “derive their driving force ‘from markets, from private trade and investment flows, and from policies and decisions of companies’” (Breslin and Higgott, 2000: 344). Grugel and Hout argued that regionalism is a “conscious policy of states or sub-state regions to coordinate activities and arrangements in a greater region” (Grugel and Hout, 1999: 10). Regionalism understood in these terms is a process of region-building performed by actors inside states and societies who “push for integration as a way of positioning themselves in response to global change” (ibid.). In this sense, regionalism is a state project just as globalization, in contrast to globalization and regionalization which describe according to Gamble and Payne “a complex articulation of established institutions and rules and distinctive new patterns of social interaction between non-state actors” against which state projects like regionalism “seek to accelerate, to modify, or occasionally to reverse the direction of social change which emergent structures like globalisation and regionalisation represent” (Gamble and Payne, 1996: 250).

Thus, Grugel and Hout argued that regionalism may best be understood as a “de jure” process describing the formal establishment of a region as a political unit, where regionalization is conceived as a “de facto” process which refers to the “regional expression of the global processes of economic integration and the changing structures of production and power” (Grugel and Hout, 1999: 10).

Regionalization and globalization can facilitate the initiatives of state-led region-building through enforcing the process of integration, while at the same time regionalization and globalization can generate new “regional economic spaces” outside the scope of state-led regionalist projects forcing governments to adjust and coordinate their efforts. Therefore, regionalism can describe a proactive process, though, most often, it represents a response to the forces of regionalization and globalization describing the processes of structural change at the global and regional level.

Linking the dynamics of regionalism and globalization Hettne has pointed out that both forces are indeed related, but describe two different aspects of the contemporary transformation of global order. Referring to the classical work of Polanyi, Hettne argues that the current process of globalization can be considered as a “second great transformation,” or in his own terms a “double movement.” More precisely, while the first movement expands and deepens the reach of markets the second movement describes a political intervention through “counter-movements” to ensure the cohesion of society. Hence, Hettne argues that regionalism constitutes an integral part of both movements, while it takes on a “neoliberal face” in the first it bears “a more interventionist orientation” in the second. Essentially, he contends that the political content of regionalization and globalization is subject to “transnational struggle” (Hettne, 2005: 557–8). Thus, if we recall the definition of globalization provided at the outset of the second section of this study, embracing the term ‘transformation’ and thus highlighting the disembedding of the market from society marking the triumphalism of the economy over politics, then regionalism represents an attempt to ‘bring politics back in’ in order to balance the effects of globalization through ‘politicizing the global.’ And yet, as Hettne and Söderbaum remind us, regionalism is only one possible way of state intervention, though an important one in its attempt “to retain the territorial imperative” (Hettne and Söderbaum, 2008: 75). Furthermore, Katzenstein argues that complex processes of globalization (i.e. the process which generates new actors and new relations) and internationalization (restating of the relations of the international system) do not take place separate from each other, but mutually reinforce each other. It is the interaction of globalization and internationalization which makes regions ‘porous.’ Furthermore, interaction between these two processes strengthens porous (i.e. open) regions and weakens closed regions (Katzenstein, 2005: 19). This form of interaction is often referred to as ‘glocalization’ (ibid.: 30).

Interacting globalization and internationalization may transform states and the interstate system to be able to address new global problems. In short, Katzenstein adds to our understanding of regionalism the important mechanisms which are at work in creating ‘open’ regions embedded in globalization. The resulting ‘porous’ regions can function as buffers against unwelcome outsiders and threats and are at the same time platforms for new opportunities, such as frameworks for regional cooperation highlighting the role regions can play in international relations and which shall be described in the next section in more detail.

4.4 Dimensions of Regionalism in World Politics

What has become clear thus far is that it is the complex interaction of the forces of fragmentation and integration unleashed by globalization which generate regions. Although regionalism is indeed, in terms both of context and result, related to what has been described by Bob Jessop as the ongoing process of rescaling by states, it can hardly be said that the state as such is challenged in its existence by the processes of globalization and regionalism (Jessop, 2002). In fact, what has happened is that states have created ‘new states spaces,’ i.e. they have combined forces and created alliances to address what has been explained as a process of ‘societal denationalization.’ It is here that the resurgence of the region can be located. In other words, regionalism, international governance and global governance represent the attempt of states to address globalization at various spatial scales (Jessop, 2002: 179–87, 193–201; Paasi, 2009: 124–5).

Thus, against the background of the rescaling of states at various levels of the international system it seems appropriate, Hettne argues, to talk about various scales of regionalism in various regional formations, which overlap and interact in different issue areas (Hettne, 2005: 550). Hence, not only can we differentiate various dimensions of regionalism (ex. trade blocs, monetary regionalism, developmental regionalism, security regionalism), but we also need to make the important distinction between regions as arenas of governance and regions as actors within the global governance system. In other words, recent years have shown tendencies to which the process of regionalism has not
only created regions as unites which stretch over limited territories within and between states (micro-regions), such as the Economic Community of West Africa (ECOWAS) or the Association of Southeast Asian States (ASEAN) or even more loosely in the form of the many newly emerging growth triangles and polygons in Southeast Asia (cf. Yeung, 2000), but regionalism has also resulted in the unification of states (macro-regions). In fact, what has become visible, especially with regard to the development of the European Union (EU) is that regions have obtained a degree of ‘actorness,’ i.e. the capacity to influence its external environment (Hettne, 2005: 556). In conclusion, micro- and macro-regions describe two important dimensions of the process of regionalism: lower level regionalism and higher level regionalism. While the lower level of regionalism in the form of micro-regions is often characterized by the process of transsocietal interconnectedness established by civil society actors and the dynamics of market-led integration making micro-regions, turning regions into fluid and informal units, macro-regions are usually constituted more formally.

With regard to higher level regionalism we can distinguish between three forms in which regionalism can influence the structural constitution of world order. The first dimension identified here by Hettne is transregionalism, defined as those actors and structures which mediate between regions (2005: 558). If this mediation between regions develops from spontaneous and uncoordinated forms of interaction towards a level of formally institutionalized relations we speak of interregionalism. Finally, if the notion of interregionalism evolves into a dominant principle in international relations, we can speak of a world order based on multiregionalism, which connects regions (themselves containers of a broad web of intra-micro-regional relations) on large scale.

In recent years the concept of interregionalism has received growing scholarly attention as it has emerged as principle of foreign-policy exercised by the EU which reaches beyond its constituted borders to create a growing number of formal links with other regions, most prominently illustrated by the 1997 launched Asia-Europe Meeting (ASEM) process (cf. Ruland et al. 2008). At this point it is important to emphasize, as Hettne does, that the notion of interregionalism does not indicate any form of ‘post-sovereignty’ because the emergence of interregionalism does ultimately require the pooling of national sovereignties and thus considers sovereignty as a constitutive precondition for this normative process, hence suggesting the emergence of a ‘neo-Westphalian’ rather than a purely ‘post-Westphalian’ world order (Hettne, 2005: 558). The complex relationships which can form between these different processes of regionalism, which merge into the normative notions of inter- and multiregionalism as alternative forms of world order and ways to tame globalization are illustrated in Figure 2 below.

Finally, let us consider some prospects for regionalism as a principle for organizing international relations and thus to enhance global governance. The limits of global governance have become clear in recent years mainly because its basic principle of organization in the form of multilateralism was increasingly undermined by a post-9/11 US-foreign policy
which favored unilateral action. This unilateral governance may have had short-term advantages in increasing national power in the international society, but in addressing global problems this shortsighted approach has resulted in a significant loss of legitimacy of the US which caused a crisis of liberal internationalism (cf. Ikenberry, 2003). And yet, the unipolar moment being the structural result of such unilateral foreign policy contradicts the nature of many of the global problems. Here, Anne-Marie Slaughter reminds us that in “a world of global markets, global travel, and global information networks, of weapons of mass destruction and looming environmental disasters of global magnitude, governments must have global reach” (Slaughter, 2004: 4). In other words networked problems require well functioning frameworks of multilateral cooperation. Multilateral governance at the global level, on the other hand, requires a certain degree of institutionalization in order to circumvent the possibility of unilateral or bilateral challenges, and to tame both globalization and unilateral hegemony.

The principle which might enforce multilateralism in this regard could then be interregionalism as it is pursued by the EU in its relationship with its external environment. Interregionalism facilitates the embrace of broader networks of cooperation between regional governance networks, and thus facilitates the emergence of a form of multiregionalism, which Hettne defines as a “horizontalised, institutionalised structure formed by organised regions, linked to each other through multidimensional partnership agreements” (Hettne, 2005: 563). Already, the shape of such a multipolar world order enforced by interregionalism is illustrated by the increased dynamics of a transregionalism linking together the so called Triad markets (i.e. Japan, North America, and Western Europe), through frameworks such as ASEM, APEC or the ASEAN plus Three (APT) process (ibid.).

In conclusion, in a world of complex collective challenges and threats paired with inadequate multilateral institutions at times undermined by unilateral challenges and in general heavily biased by key state interests as the UN-centered governance system illustrates, regionalism represents a feasible answer to this state of the world. While the dynamics of globalization have resulted in the diffusion of threats and challenges and the dislocation of capital and labor on a global scale, what is needed is a division of labor in seeking ways to regulate these turbulent changes. Therefore, if we consider regions as an important complementary layer of governance as Fawcett (2005: 23) suggests, that is, as a meso-level in what is today more and more a multilayered hybrid form of governance which stretches from the local to the global level, than the ‘regional’ has considerable yet widely untouched potential in enhancing the effectiveness of global governance. And yet, the potential of regional governance frameworks has begun to be recognized, a development illustrated by the roles the regional security alliance NATO played in the Kosovo conflict in 1999, the measures which were taken by ASEAN and other Asian countries in the wake of the 1997 Asian financial crisis (Acharya, 2002: 20), or the EU played in assisting the process of democratic transformation in Eastern Europe after the collapse of the Soviet Union and continues to play in stabilizing the Balkans.

These developments highlight important benefits of regional governance frameworks conceived as conflict resolution actors, namely that they are closer to conflicts, while being more familiar with the nature of conflicts and the structure of problems. Thus regional organizations have a greater awareness of the urgent response that potential conflicts require. Of course, regional governance frameworks can also be paralyzed as key members of such frameworks can also play a key role in the background of a given conflict, for example, in being part of an alliance or having certain interests in a given conflict-stricken area. While this is true for the regional level, structural ‘pathology’ of international organizations is a well known phenomenon at the global level (ex. UN and Rwanda, and most recently China’s role in the formulation of response the mounting crisis in Darfur). Yet, the proliferation of regional organizations indicates an enhanced perception of the ‘regional’ as a resolution mechanism for ‘taming’ globalization and for pushing the frontiers of governance beyond its recent limitations. Meanwhile, the reinvigoration of regionalism has not only structural implications for world order but has also stimulated a process of deliberation within the UN to incorporate the virtues of regionalism in the framework of international governance in order to increase its responsiveness to regional crises. Reform efforts of the UN into this direction were undertaken since 2004 under the Bulgarian presidency of the Security Council and in 2005 by the Secretary-General’s High-Level Panel on Threats, Challenges and Change acknowledging that regional organizations can indeed play an important part in the multilateral system (Thakur and van Langenhove, 2008: 33–4). Thus, in seriously considering regions as feasible frameworks for addressing global problems the UN puts flesh on Article 52 on the UN Charter, which formally has encouraged the existence of regional frameworks for the solutions of collective action problems.

5. Conclusion

The ‘dual movement’ of fragmentation and integration unleashed by the process of globalization has fundamentally altered the structure of the international system opening the space for regional projects to develop. While economic globalization has increased the level of political-economic and social interdependency across the world accompanied with increased levels of mutual vulnerability, the multilateral system of governance has increasingly lost ground in competition with globalization of the market and the diffusion of threats highlighting the decreased importance of territory. Moreover, while multilateralism is a prerequisite for addressing global collective action problems the years which followed 9/11 have witnessed a shift towards a unilateral moment in international relations underlining the legitimacy of the international governance structure and within efforts of seeking collective solutions to collective problems.
And yet, collective action problems require coordinated multilateral action, and multilateralism needs to be institutionalized in order to produce effective solutions. Thus, while the complex dynamics of globalization have resulted in the emergence of the normative framework of global governance, which seeks to broaden the international governance system through integrating the growing number of state- and nonstate actors demanding inclusion in the multilateral global policy-networks, it has also emphasized the need for the state to rescale in order to deliver its national governance goals in the more and more contested and globally connected spheres of the public and private. It is in response to the contested institution of state-sovereignty in the face of the declining significance of state-territory after the end of the Cold War and the advance of economic globalization that spaces of governance have emerged at which states engage in the process of rescaling to the new reality of the political-economy of globalization (true to the motto ‘adjust or die’). It is this pressure of responding to globalization that global governance and regionalism, as two forms of adjusting to globalization, have emerged.

In analyzing the theoretical relationship between these concepts, I have argued that the notion of regionalism which itself needs to be considered as being part of the process of globalization should not be understood as a process which undermines global governance in its attempt to regulate the global challenges, but which can enhance the capacity of global governance in pushing forward its frontiers. With the proliferation of regional organizations and trade agreements, governance at the regional level has evolved into a significant element of international relations producing a new type of region not merely sovereignty-bound but functional in nature. The spread of regional governance frameworks across the world, its re-emergence as a possible conflict resolution mechanism within the UN-framework, as well as the increased tendency of interregional interaction has led us to conclude that international relations is witnessing a change of the Westphalian system, although it is much too early to make predications regarding whether or not the nation-state as such will be obsolete. However, normative conceptions of a ‘world of regions’ based on the ordering principle of multiregionalism would likely continue to emphasize the importance of territorial sovereignty in proclaiming a transfer and pooling of sovereignty in supranational institutional frameworks.

Why do I think a “regionalized” world order will help us to overcome some of the global challenges? The answer is, because I think regional frameworks are more familiar with the nature of the problem and its causes, because they are closer to the parties involved in collective action problems, and they are more sensitive to the particular socio-cultural and political-economic conditions of a given region. Furthermore, institutionalized regional frameworks which have obtained a certain degree of ‘actorness’ would be able to facilitate the institutionalization of deliberation processes for the generation of solutions at the regional level and thus be able to improve the decision-finding process at the level of global governance institutions such as the UN by reducing particular interests. Such an argument, however, does require that the global institutions do not only encourage the process of establishing regional governance frameworks but they need also be more inclusive towards such frameworks. Furthermore, an enhanced role of regionalism in global governance does require that states engage actively in the process of political integration at the regional level — a task which raises the stakes significantly for the advancement of interregionalism.

In sum, the bottom-line of this argumentation is that the ‘regional’ has evolved into an important ‘meso-level’ in the global governance system, both, in terms of an additional layer as well as in form of powerful actors. Thus, regions can function as intermediates between the local, national, and global levels. As such, regions integrate a broad set of actors linking them to the global and thus help to organize the condition of anarchy at the global level from below, while revitalizing multilateralism from its post-9/11 unilateral intermezzo.

Notes

1 For a discussion see Wade (2003).

2 For a highly anticipated discussion of the role of new information technologies in relation to the process of globalization see Keohane and Nye (1998).

3 As similar terminology is applied by Hurrell who has referred to this arrangement of governance as ‘complex governance beyond the state,’ taking into special account the enhanced level of inter-state interdependency, see Hurrell (2007), Chp. 4.

4 For a similar line of argumentation see also Nakamura and Yamamoto (forthcoming, in this issue), who have argued for horizontal inclusive governance networks in the process of norm advocacy as an important step to integrate non-western agents in transnational advocacy coalitions in order to circumvent resistance in the process of internalizing human rights norms in non-western societies.

5 For a detailed discussion of the EU as an actor in global governance embedded in the framework of interregionalism see the volume of Söderbaum and van Langenhoven (2006).

6 For other examples of interregional relations see Thakur and van Langenhove (2008), pp. 31–2.

REFERENCES


