



The Ascent of Regionalism and the Future of the World Order

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Background

- **10 years of work** of the United Nations University Institute on Comparative Regional Integration Studies (UNU-CRIS)
 - More than 50 books
 - More than 100 articles
 - The RIKS Platform
- **Our mission:**
 - Monitoring
 - Peace and security
 - Socio-economic issues
 - Policy-relevance and theoretical understanding
- **My book project:** Building Regions. The Regionalization of the World Order (Ashgate, end of 2010)



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Major Claim:

Regionalisation is shaping the future economic and security world order

Major Questions:

Why are regions being created?

How is this happening?

Which implications for Europe and South East Asia?



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World of States (Strengths)

Modern state is a European invention

Embraced by the rest of the world

Three major functions of sovereign states

- Single economic space
- Single public good space
- Sole provider of internal and external sovereignty



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World of States (Weaknesses)

The differences in size

The wealth and poverty

Dealing with cooperation and conflict



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Contemporary Challenges for States

Globalisation

Networking society

Problems of multilateralism



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Response of States to the Challenges

Protectionism/isolation

New forms of multilateral
intergovernmentalism

Creating regions



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What is a Region?

It is a geographical space

that is not a state

but has some statehood properties



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What Statehood Properties?

Formal:

- Borders
- Symbols
- Institutions

Content:

- Economic space
- Public good space
- Internal/external sovereignty



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Categories of Regions

Subnational regions

Crossborder regions

Supranational regions



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Why do States create Regions?

State interest is central, examples:

To deal with local identity issues

To tackle crossborder public good issues

To manage security issues

To overcome size related deficiencies



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How do States create Regions?

Stimulating crossborder cooperation

Devolution

Regional integration



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Unpacking States (and Regions)

States as a Single Market

- Integration *télos*: regional single market

States as Provider of Public Goods

- Integration *télos*: regional public goods

States as International Sovereign Actors

- Integration *télos*: region as sovereign actor



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Varieties of Regional Integration

Integration by removing obstacles

Integration by building institutions

Integration by building geographical identity



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First Generation Regionalism

Regional trade agreement

Sequencing

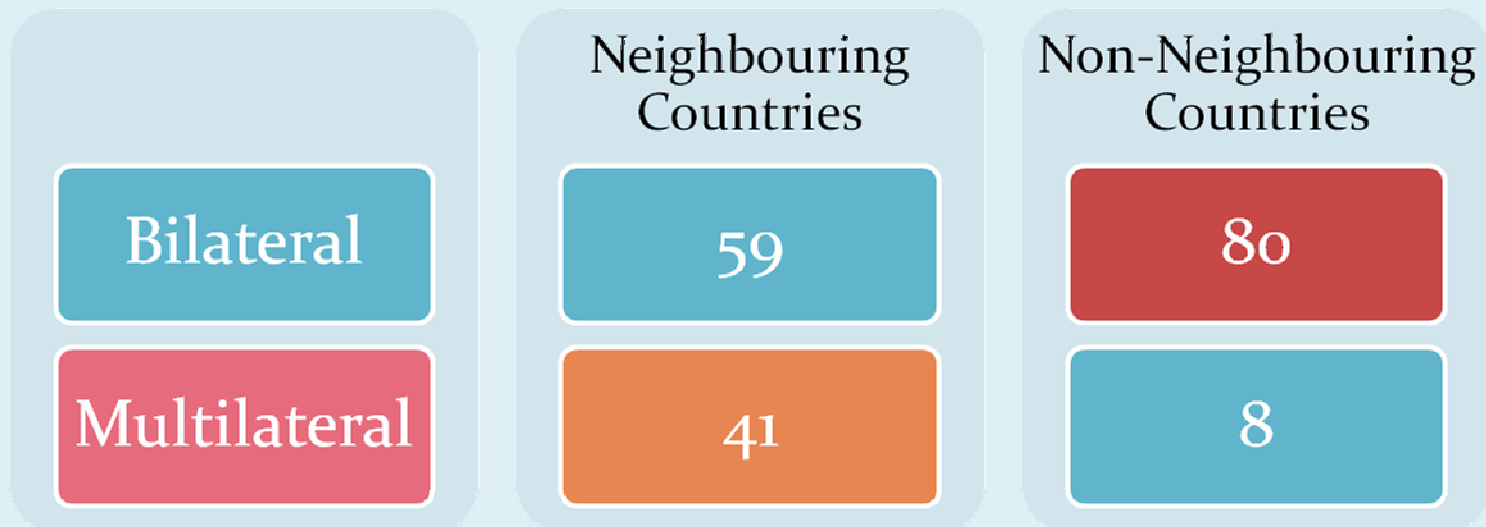
Booming phenomenon



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Not all FTAs are regional...



Of all RTAs in force, only 22% are 'true' regional.
Conclusion: the world is not as regionalised as generally assumed.
(source: RIKS database)



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Some Indicators on Economic Integration

(De Lombaerde, Söderbaum, Van Langenhove and Baert, 2010)

Ranking according to	Intra-regional trade share	Intra-regional trade intensity index	Symmetric trade introversion index
1	EU-27	CARICOM	CARICOM
2	EU-15	CAN	CAN
3	NAFTA	SADC	NAFTA
4	ASEAN	MERCOSUR	SADC
5	MERCOSUR	ASEAN	EU-27
6	CAN	NAFTA	MERCOSUR
7	CARICOM	EU-27	EU-15
8	SADC	EU-15	ASEAN



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Second Generation Regionalism

Focus upon regional public goods

Political process

Role of institutions



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Third Generation Regionalism

Coping with
sovereignty

Becoming a global actor

Only the EU?



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Implications for the World Order

Regionalisation of Europe

Regionalisation of Asia

Towards multilateralism 2.0.?

How do states cope with regions?



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Regionalisation in Europe

Not that integrated?

“Geometrie variable”

The “world player” ambition



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Regionalisation in Asia

Scale matters

- Sub-regional integration is important
- Sub-national regionalisation



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Regionalisation in Asia

Budget matters

- EU: RB= 1 % of GDP
- In order to achieve 1 % of GDP budget
 - ECOWAS: x 60
 - MERCOSUR: x 200
 - ASEAN: x 1.500
 - AU: x 10.000



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Regionalisation in Asia

Institutions matters

- Importance of “COREPER”
- ADB proposals



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Multilateralism Mode 2.0.

Multilateralism is profoundly changing as a result of:

- The emergence of new multilateral actors
- The development of new multilateral playing fields
- The rise of new concepts of multilateralism



- The world is moving from unipolarity towards a networked form of multipolarity



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Multilateralism Mode 2.0.

In the existing multilateral system the 'Mode 2.0.' is emerging. This implies:

- The diversification of multilateral organisations
- The growing importance of non-state actors
- The increased interlinkages between policy domains
- The growing space for citizen involvement



- The multilateral system is moving from a closed to an **open system**



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How do States cope with Regions?

The Frankenstein scenario

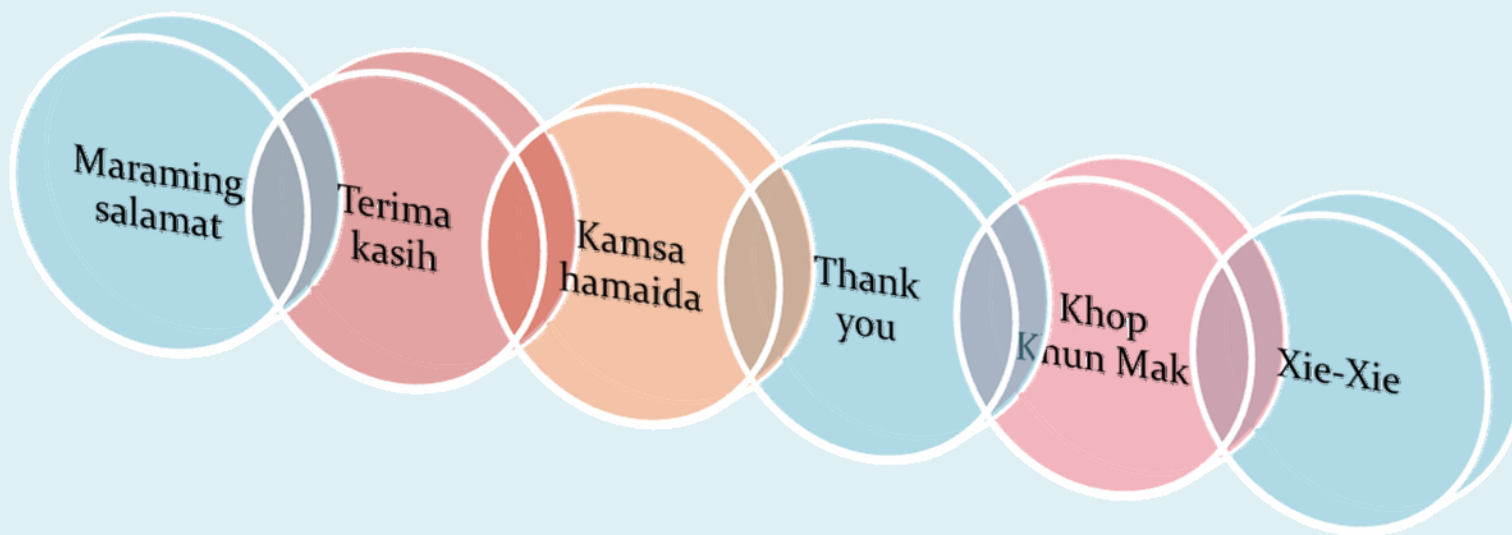
The Pygmalion scenario

From subsidiarity to mutuality



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