The Ascent of Regionalism and the Future of the World Order

Prof. Dr. Luk Van Langenhove

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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)
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?
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
Contemporary Challenges for States

- Globalisation
- Networking society
- Problems of multilateralism
Response of States to the Challenges

- Protectionism/isolation
- New forms of multilateral intergovernmentalism
- Creating regions
What is a Region?

- It is a geographical space
- that is not a state
- but has some statehood properties
What Statehood Properties?

Formal:

- Borders
- Symbols
- Institutions

Content:

- Economic space
- Public good space
- Internal/external sovereignty
Categories of Regions

- Subnational regions
- Crossborder regions
- Supranational regions
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
How do States create Regions?

- Stimulating crossborder cooperation
- Devolution
- Regional integration
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
Varieties of Regional Integration

- Integration by removing obstacles
- Integration by building institutions
- Integration by building geographical identity
First Generation Regionalism

- Regional trade agreement
- Sequencing
- Booming phenomenon
Of all RTAs in force, only 22% are ‘true’ regional. Conclusion: the world is not as regionalised as generally assumed. *(source: RIKS database)*
### Some Indicators on Economic Integration

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

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<th>Ranking according to</th>
<th>Intra-regional trade share</th>
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Second Generation Regionalism

- Focus upon regional public goods
- Political process
- Role of institutions
Third Generation Regionalism

Coping with sovereignty

Becoming a global actor

Only the EU?
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
Regionalisation in Asia

Scale matters

- Sub-regional integration is important
- Sub-national regionalisation
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
Regionalisation in Asia

Institutions matters

- Importance of “COREPER”
- ADB proposals
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
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