Berthelot, Yves. **Regionalisation and Globalisation: Two Concomitant Dynamics in Need of Coherent Institutions**. En: *Semináro Internacional REG GEN: Alternativas Globalização* (8 al 13 de Octubre de 2005, Hotel Gloria, Rio de Janeiro, Brasil). Rio de Janeiro, Brasil : UNESCO, Organización de las Naciones Unidas para la Educación, la Ciencia y la Cultura, 2005. Disponible en la World Wide Web: http://bibliotecavirtual.clacso.org.ar/ar/libros/reggen/pp20.pdf	
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Regionalisation and Globalisation:
Two Concomitant Dynamics in Need of Coherent Institutions

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Regionalisation is often opposed to globalisation. While the latter is seen as the spontaneous result of technological progress, deregulation and market forces, the former is presented as an instrument in the hands of decision makers for, at best, facilitating development or, at least, protecting particular interests. It will be argued below that, in fact, both globalisation and regionalisation are the result of concomitant spontaneous trends and deliberate political decisions. However, regions are made of countries or people who feel that they share common values or characteristics and may, therefore, decide to address jointly common economic, social or political concerns. In this way, regional institutions may prove to be indispensable complements to global ones for a human and civilised regulation of globalisation. This is the thesis developed below.

Having indicated the spontaneous and voluntary dimensions of both globalisation and regionalisation and underlined the flexibility of the concept of region, we will examine through different issues (industrialisation, food security, crises management, enterprises accountability, and civil society organisations (CSO) participation in the international debate) the rational for regional approaches and the corresponding institutional requirements. Then we will discuss the opportunity to articulate a system of global and regional institutions.

Globalisation and regionalisation: natural trends and voluntarism

Even if globalisation and regionalisation are two recent neologisms that have not yet found their way into dictionaries, they convey an interesting mixture of facts, hopes, and will that have underpinned the economic life of the last two hundred years.

The ideological agenda in globalisation

In the course of the 1980s the word "globalisation" came into fashion to describe what many felt to be a new and central reality of the times. This "reality" was supposed to be first the result of technological progress that had reduced the costs and the risks of international communications and transports and dramatically increased the capacity to process information. Second, the progressive removal of trade barriers in industrialised countries since World War II and, since the 1980s, the deregulation of financial markets and privatisation were expected to give its full effect to technical progress and managerial rationalisation in the developing world and, after 1990, in Eastern Europe.

It cannot be denied that there has been significant technical progress in recent years. But, can it really be claimed that the pace of change has been greater than in the late 19th century when the speed of communication between Europe and North America, for example, was reduced in the 1860s from several day's sailing time to the minute or so that it took to send a telegraph message? This development, in conjunction with the technology of the steamship and railway, led to a boom in foreign investments and to a degree of openness, as measured by the ratio of merchandise trade to GDP, which for many countries was, prior to the first World War, as high or higher than in the early 1990s. The point here is that the rupture in the way of doing business introduced over the last two decades by the new information technology is not without precedent of similar magnitude.

The ideological dimension of globalisation is not new either. Since the word appeared, it has been legitimised by the belief, shared by some policy makers, academics, and entrepreneurs, that open trade and investment regimes would lead not only to faster growth for the world economy but also to increasing convergence of national incomes per head across the world. To achieve these objectives, advocates of globalisation recommended releasing market forces by limiting the economic role of the state to securing the good functioning of markets, and by avoiding interference with market forces. Indeed, the GATT and later the WTO, the IMF and the World Bank were instrumental in imposing this line. The WTO continued to advocate the elimination of trade barriers and in addition started establishing rules that restricted the space or, in other words, the margins of manoeuvre that governments had for conducting agricultural or industrial policies. The World Bank and the IMF did not enact rules but, through conditionalities embodied in Structural Adjustment Programmes and debt management schemes, required countries starving for financial resources to reduce state intervention and to liberalise and privatise irrespective of their economic and social national circumstances. "In this normative mode, so to speak, the globalisation agenda turns out to be the traditional neo-classical, neo-liberal agenda updated for a world where geographic distance is alleged to have little significance for business activity".[1] In fact, geography matters, as we will see below.

The ideology is not new and, worst, globalisation failed to deliver its promises: it did not improve the situation of all throughout the world. The United Nations Secretary General challenged recently this dogma: "Trade is the most visible manifestation of globalisation. It has proved its ability to deliver jobs and wealth for some. Yet there is widespread unease, and even distrust, about the new economic and technological space we inhabit. So many people have yet to benefit, and in the developing world there has been great dislocation without a safety net."[2] May be, finally, the Harry Kissinger's cynical vision has the merit of reconciling ideology and politics when he describes globalisation as an instrument of the US hegemony: "what is called globalisation is really another name for the dominant role of the United States."[3] This suggests paying a particular attention to a possible countervailing force: regionalisation.

Economic forces behind regionalisation

If globalisation has a strong normative dimension, regionalisation is interestingly the result of a mix of political will, pragmatism, and of spontaneous economic and cultural forces. Yet, before looking for confirmation of this assertion in the review of some regionalisation experiences, it is worth recalling the flexibility of the concept of region. The boundaries of any region depend upon the choice of those who decide to belong to it. The dictionary gives the following definition of a region: "Region: a relatively large territory, possessing physical and human characteristics that make it a unity distinct from neighbouring regions or within a whole that includes it". Indeed, this definition fits with the practice of using the word region to designate a part of a country as well as a group of countries, small or large, depending on the unifying characteristics retained. The region is therefore likely to be better suited in analysing societal behaviours and in making decisions than the global world from which, by definition no one can decide to escape.

Louise Fawcett in her chapter uses the concept of regionalism in a very broad sense, which contrasts with the relatively narrow acceptation of regionalisation in this chapter. Indeed, the first part of the definition given above suggests that a region should have a geographical continuity while the second part authorises greater flexibility and, for instance would make the OECD a region. In several arguments developed below, it appears that geography matters and, here, therefore, OECD is considered more a club than a region.

Since time immemorial, human groups, - enlarged families, clans, states - have concluded alliances among themselves to increase their security or, eventually, attack others who threatened them. With the emergence of nation states and the expectation of their citizens of policies that improve their welfare, states have entered into regional economic arrangements to secure stability and to facilitate trade and economic development. At the heart of these arrangements are perceived common interests or needs, strong enough to overcome actual political tensions, nationalist sensitivities or competition.

For instance, the agreements negotiated during the Cold War in the United Nations Economic Commission for Europe (UNECE) provide good examples of how a regional framework can promote co-operation when its members consider it advantageous despite their profound ideological and political differences[4]. The agreements covered domains such as security of motorcar vehicles and safety of road transport, transport of dangerous goods, trans-boundary air and water pollution, border crossing, facilitation of trade and custom operations, use of riparian waters for the production of electricity, etc. During the Cold War, they constituted many bridges between East and West and later facilitated the integration of Central Europe into the European Union. But, despite the impressive number of agreements signed - more than three hundred - they remained technical and sectoral; they were neither guided by, nor articulated in, strategic sectoral or integrated visions of development. Nor did they ever provoke the need for closer political co-operation. [5]

The history of the European Union is quite different. In the beginning, the European Coal and Steel Community was created to manage investments and to avoid over-capacity when the demand for steel, generated by the reconstruction of housing and infrastructure in the immediate after-war, decrease.[6] The European Coal and Steel Community was to become the first step towards the building of the European Union, each step corresponding to a new perceived need by member countries. This approach, inspired by Jean Monnet, "came to coincide with the mechanism of integration as formulated in the functionalist theory supplemented by the *spill over* concept of Ernst B. Haas, according to which integration initiated in one sector necessitates integration in related sectors, thereby producing a cumulative effect".[7] Today the several sectoral common European policies call for integrated economic and social policies and for deeper and deeper political co-operation.

In developing countries, regionalisation objectives were broader and more ambitious at the outset than in Western Europe, and in fact too broad and to ambitious. Inspired by the first success of the European Economic Community (EEC) and of the European Free Trade Association (EFTA), Free Trade Associations and Common Markets blossomed throughout the world in the 1960s and 1970s. In addition to dispositions aiming at the free circulation of goods and later services in the area, provisions for joint development policies were often made, particularly in the industrial sector. The rationale for industrial co-operation was indeed twofold. First, national markets were often too small for some industrial activities to be economically viable; in this case, the regional arrangement was expected to enlarge such markets while at the same time protecting infant industries from outside competition of well-established enterprises. Second, active industrial co-operation within the region would help, it was hoped, to organise a fair division of labour among member countries and to avoid ruinous competition between enterprises producing the same type of goods. Unfortunately, countries, whose main fiscal revenue came from custom duties, continued to levy them at their borders and foreign enterprises, even when offered incentives, rarely settled as encouraged: industries tend to go where other industries are already located and not where they are requested to go.

In the third world, regionalisation failed to facilitate the emergence of a diversified industrial fabric and to create markets broad and strong enough to encourage the creation of economically viable enterprises and protect them from external competition. Reasons could be found in the lack of sustained political will and, even more, in the absence of a minimum industrial basis to generate intra industry trade. Therefore, enthusiasm for regionalisation faded away in the 1980s, but took off again in the mid 1990s, particularly among the most advanced developing countries with an already diversified industrial sector.

The political and institutional dimensions

Political considerations are determinant in the decision to build any regional agreement. Sustained political will is necessary for its success and for overcoming unavoidable tensions. Equally important in this perspective are the institutions created to implement and monitor the agreement. If well staffed, managed, and financed, they acquire rapidly their own dynamic and are instrumental in maintaining the will of the members and eventually in making up for it when it fails temporarily.

Just after the creation of the UN-ECE, the cold war started. ECE was maintained because of the political cost of dismantling an institution created in the aftermath of the war. Yet, there was no political will to do much of an institution that united two incompatible economic and social systems: ECE for instance was not asked to manage the Marshall Plan, as initially envisaged in the United States[8]. Despite this, thanks to Gunnar Myrdal's leadership, useful agreements were negotiated in the ECE framework. After the Cold War, the fact that these agreements had become part of the *acquis communautaire* renewed the interest of all countries seeking to join the Union in the work of ECE. To the contrary, the CMEA, which was created by the sole will of the USSR and which failed to develop mutually beneficial instruments, fell apart when the economic and social system imposed upon central Europe collapsed and none of its accomplishments survived.

In the West, the political will to avoid a new war and to resist the communist pressure presided over the successive steps toward the European Union until the fall of the Berlin wall. The European Economic Commission, and then the European Commission, thanks to its financial autonomy, the quality of its staff, the established set of meetings at ministerial level, and its vision was able to assume the responsibilities of common European policies, to play the role of scapegoat for unpopular decisions, to overrule governmental decisions contrary to European rules, to maintain the line despite difficulties encountered in member states, and to take initiative giving life to the most innovative ideas of some of its members despite the reluctance of others: the Euro for instance. Within Western Europe, the French-German leadership, sealed by the Elysée Treaty in 1963, continued over decades independently of the personalities of the French President and the German Chancellor. Even if it is typically a political mechanism, its institutionalised regular summits were key to maintain the process when the two leaders had little in common or when the agenda *per se* would not require they meet. Their firm will and that of all other Western political leaders could be progressively concretised in economic and political institutions because countries of the region shared common values, had compatible views on desirable economic and social organisation, and, equally important in democratic countries, because their people could attribute progress to the work of the European Economic Community. From the European experiences, it appears that the elements of a successful and sustainable regional arrangement are sustained political will, common values, compatible economic and social systems, strong common institutions and the gradual construction of common useful instruments.

In the developing world, leaders expressed their vision and hopes to secure peace, stability and development and to prepare the economies of their countries for global competition through regional agreements. The same message with local nuances is conveyed, more or less explicitly, in all the conventions or treaties that establish the diverse regional entities. Some examples are: "to fulfil within the shortest possible time the hopes and aspirations of their peoples" (CARICOM)[9]; "to ensure, through common action, the progress and well being of the people of Southern Africa"(SADC)[10], "to accelerate the economic growth, social progress and cultural development in the region through joint endeavours in the spirit of equality and partnership in order to strengthen the foundation for a prosperous and peaceful community of Southeast Asian nations"(ASEAN)[11]; to secure "their countries a proper place in the international economy" (MERCOSUR)[12]. The purposes are noble but the ambitions are too broad and countries have not taken the time to learn how to work together on technical well-delimited issues. In most cases, the institutions created are weak without delegation of authority and financial autonomy; they are able to make reports and to organise meetings, but not to take initiative and to substitute for political leadership when necessary.

External influences

Internal political will to create a regional entity can be stimulated or to the contrary hampered by external factors or powers. Fear, first. As already said, the Soviet threat helped all along the development of the European Economic Community. CMEA was a response to the creation of the EEC. Communism in Vietnam was a determinant reason behind the creation of ASEAN and its survival over the years despite little progress in achieving economic integration (see Table 2). South Africa was the cause of the creation of the concerted action of the "Frontline States" [13]against apartheid.

Big powers' strategies, second. The United States has had no doctrinal a pragmatic approach to regionalism. It was one of the strong supporters for the creation of the UN-ECE in 1947 and it conceived and financed the Marshall Plan of which one important component was to impose the review of the projects of one country by its European partners. When the EEC and the AELE were about to be created, the United States expressed a cautious support. It recalled its consistent support to "the political and economic strength and cohesion of

Western Europe", but warned that "the European market for agricultural exports from the United States is important and we will wish therefore to study carefully the possible impact of common-market arrangements on it."[14] From that point until Cancun, the main debates in GATT and the WTO were between the USA and the EC and, in particular, on trade of agricultural products. The American press saw in Euro a threat for the dollars and campaigned against its creation. But the US government did not oppose it.

The European Economic Community and, thereafter, the European Community and the European Union had no role in the creation of regional groupings in the developing world and its relations with existing ones are still limited by the fact that in the EU, as before in the EEC and the EC, there was no common diplomatic policy. EEC, subsequently the EC and then the EU, actively supported ACP countries, essentially former colonies, through co-operation, finance, trade agreements, and mechanisms to mitigate the damages caused to them by the instability of commodity prices. It set aside funds to support regional groupings in ACP countries, but had great difficulties in spending them for a combination of reasons. On one side, it is true that most regional groupings have no delegation of authority to receive and spend funds for infrastructure or other investments of common interest and that their member governments prefer to receive financial support for their own projects rather than for regional ones. On the other side, Europe did not use its leverage for regional projects, as it did for other projects or priorities that it considered important. As indicted below, the European Union is now developing more active relations with some regional entities.

Regionalisation or globalisation: what are the facts? A statistical answer

At this stage of the analysis of the merits, alleged or actual, of regionalisation and globalisation, the observation of trade and financial flows between regions would help to assess the relative strength of the trends toward globalisation and regionalisation.

The regions considered in Table 1 are the five UN regions: Europe (ECE), Asia (ESCAP), Latin America (ECLAC), Africa (ECA), and Western Asia (ESCWA). For each of these regions, there are political agreements covering all its members, but, with the exception of the recent African Union, which so far has had no economic impact, no formal economic arrangement covers all the countries of one of these regions. Table 1 provides a comparison between the shares of intra and inter regional trade in the exports of the world's main regions in the year 2000. It shows that for Europe, Asia and, to a lesser extent, North America[15] and Latin America, intra regional trade is of particular importance. A comparison with similar tables over the last fifty years would show that, contrary to what could be expected given the relentless publicity about the "global village" and global markets, the external trade of these regions evolved towards a much closer integration of the countries within each region rather than towards a global engagement. It is a first important fact.

Even if the size of a region has an impact on the share of intra regional trade, Table 1 clearly establishes a second important fact that the more a region is industrialised, the more important is its intra regional trade. The regional trade concentration has been a long-standing phenomenon in Western Europe that increased especially during the 1960s-1970s and again in the 1990s with the rapid growth of Eastern Europe exports toward Western Europe. Some explanation of the regional concentration of industrial trade is given later. It can be noted here that this phenomenon is compounded by technical progress, which lowers the material content of GDP and reduces the share of primary commodities in external trade, notwithstanding the deterioration of the terms of trade. The same phenomenon occurred in Latin America and Asia with the diversification of their economies. For Africa and the Middle East, the very low level of regional integration reflects the countries' continuing dependence on a few commodities exported throughout the world and their low level of industrialisation.

Table 2 shows the evolution of intra-trade of regional groupings as a share of total exports of each grouping. Figures confirm the lessons of Table 1 that the more a grouping is industrialised, the more important is its intra-trade. The share of intra-trade grows, as in the case of MERCOSUR, NAFTA, ECOWAS, and SADEC, or stagnates as in the case of the EC/EU after 1980 or ASEAN. The evolution of shares of intra-trade in different regional groupings leads to the conclusion that in general the creation of a regional grouping, if effective, increases intra-trade and that after a while the intra-trade stagnates at a level that depends on the degree of industrialisation of the member countries.

With the liberalisation of capital movements, it was expected that capital flows would have globalised. But, foreign direct investments for which data are available replicate, if slightly less sharply, the pattern of regional trade concentration is replicated. Even if FDI data by provenance and destination are not among the most reliable of economic statistics, they suggest indeed that, for Western Europe and North America, FDI is positively, and not negatively, correlated with the structure of trade by partner country. The evolution in Asia and Latin America goes in the same direction. For Europe, in a longer historical perspective, the change in concentration is especially marked. According to Angus Maddison, in 1914, at the end of what could be called the previous phase of "globalisation", just under 19 per cent of the gross value of western European capital invested abroad went to other parts of western Europe, 40 per cent was invested in Latin America, Asia and Africa, 14 per cent in eastern Europe, against 58.7, 12.6 and 3.7 per cent respectively for the period 1990-1997.[16] There is no globalisation of Western European Investments, but increasing concentration in the region.

Statistics confirm the dynamism of regional integration and, also, its sensitivity to political factors. They do not reflect a trend toward globalisation in the trade of goods and in foreign direct investment. This leads to the conclusion that despite the reality of technical factors that should accelerate globalisation and the strength of the ideology and interests behind globalisation, geography and, therefore, the rational for regional agreements continue to matter.

Cases for a regional approach

The previous section has presented globalisation as an agenda more than as a fact. It has also shown that, despite the dynamism of regional trade and perhaps financial flows, voluntary regionalisation had only limited success and was not an obvious instrument of development. In this section the review of a variety of issues will lead to the conclusion that a regional approach is often better than a global one or at least a useful complement.

The dynamic of regional industrial integration

International trade in manufacture is increasingly intra-industry as opposed to inter-industry and consists largely of intermediate and capital goods. An explanation for this pattern of trade is that, as the extent of the market increases, economies of scale and co-ordination allow the intermediate parts and processes required in the production of manufactured goods to be separated and entrusted to specialist producers external to the enterprise.

This dynamic division of labour could in principle be extended on a global basis, given the decline in transport costs, the reduction of tariffs and other trade barriers, and the cheaper business travel and telecommunications highlighted by the advocates of globalisation. But, in practice, it is likely to proceed more rapidly among neighbouring countries with similar industrial structures. As increased interdependence resulting from increased specialisation has a cost - the risk of disruption in the supply of intermediate inputs - enterprises will attempt to minimise this risk in keeping their supply lines as short as possible, both in geographic and economic terms. This process is cumulative, as enterprises tend to migrate to areas with available supplies of skilled labour, good transport and communication systems and opportunity to sub-contract part of the production process. This was already demonstrated when the Italian government failed to attract in the Mezzogiorno the enterprises that were gathering in the Milan and Turin areas. This also explains that free trade zone arrangements did not succeed in accelerating the industrialisation of developing countries when they were no compelling reasons for enterprises attracted by cheap labour and fiscal exemption to call on local suppliers.

For the reasons given above, regional trade follows rather than precedes industrial development. This does not weaken the fact that, for new industries, the region can offer a protection while already training the management to the competition on foreign markets. It also suggests that, if industrialisation does not follow spontaneously the creation of a regional entity, there is a need for industrial policies that encourage the emergence of an industrial fabric, which means those that favour small and medium enterprises.

The case for regional arrangements to fight hunger

If regional agreements based on industrial trade in order to facilitate industrial development of non-diversified economies did not succeed, one may wander if it would have been wiser to build such agreements on agricultural trade that, en passant, is still a pillar of the European Union. The scandal of hunger among peasant families calls for particular attention to be accorded to this issue. Its solution calls for regional agreements that will protect local food production and increase food security. This view is obviously controversial as the common battle of the developed and developing countries is not protection but "access to market", the markets of the other of course!

The desire of governments to feed urban citizens at low cost, bilateral pressures of food exporting countries, conditions imposed by International Financial Institutions in the framework of structural adjustment programs or debt alleviation mechanisms, and WTO rules led progressively to food trade liberalisation in most developing countries and countries with economy in transition. This puts the small farmers of these countries in direct competition with farmers from developed countries who have benefited from state support for decades and whose exports are directly or indirectly subsidised. The competition is obviously unfair and the main cause of hunger for poor rural families who, according to

FAO, IFAD, and the World Bank, represent more than 70% of those suffering from hunger today. Indeed, because of declining prices and to meet compulsory expenditures such as housing, health care, education, and food, peasants are forced to sell an increasing share of their production, leaving their families without enough to eat and themselves without the resources to buy the equipment and inputs necessary to increase productivity. The dumping of food products on international markets contributes to the impoverishment of small farmers in developing countries while price fluctuations contribute to food insecurity.

Markets do not adjust production to demand for many agricultural products as peasant who cannot shift to other productions tend to increase their offer to compensate the reduction of prices, which create over supply and accelerate the fall of prices. In most of the OECD countries subsidies permit peasants to survive, this is not the case in developing countries. Over supply and subsidies affecting food products deprive prices on international markets of any economic signification, as they do not even reflect the production costs of the most productive agricultural systems. Thus, these prices on international markets cannot be taken as a reference when deciding on agricultural development policies and should not be allowed to determine prices on domestic markets. Developing countries should recover the necessary policy space to conduct their agricultural policies and fight against hunger. In particular, the right to impose duties on food imports should be recognised as part of a strategy to increase food security and concretise the right to adequate food for both small farmers and vulnerable urban dwellers. Import duties are not contrary to the principles and good functioning of a market economy. Many advanced countries have, at a certain moment of their development process, protected their agriculture to increase the income of peasants and to provide a market for emerging industries and services.

Countries would derive an advantage from pursuing such policies at an appropriate regional level for, at least, two reasons. The first is that contrary to industry, agriculture is diversified even in poor developing countries. Operating on a regional basis could help overcome climatic hazards, induce regional trade, promote the harmonisation of food norms, and facilitate further integration in other sectors. Second, a group of countries carries more weight in international negotiations or vis-à-vis financial institutions for obtaining in international forums the margin of manoeuvre they feel necessary to fight against hunger. More generally, this discussion points to the lack of consistency between decisions taken at the WTO, the IMF and the World Bank on one side, and the FAO and the Economic Committee on Economic, Social and Cultural Rights on the other. If principles guiding these different institutions do not lead to consistent obligations, there should be a hierarchy among them and, here, the right to adequate food, one essential human right, should take precedence over trade rules.

The case for regional approach in global finance

In the aftermath of the crises of the 1990s, particularly those of Asia and the Russian Federation, renewed attention was given to how to prevent financial crises and how to avoid contagion if a crisis develops in one country. The dynamism of intra-regional trade and financial flows described above, which increases macroeconomic linkages among countries of a same region, gives a permanent actuality to these two issues and strengthens the argument, already made in the debate on the reform of the financial architecture, that regional rather than global institutions should play a central role. [17]

The prevention of financial crises goes through the improvement of prudential regulation, macroeconomic surveillance, and supervision of national financial systems. Immediately after the crises of the 1990s, there was an attempt to design global norms for strengthening these mechanisms. But, it soon appeared that differences in legal traditions would make it difficult to establish such norms and that it would be preferable to leave responsibilities in the hands of existing regional institutions. Mechanisms for setting prudential norms already exist in America, Europe and Asia and could be established for Africa and the Middle East if these regions intended to follow particular rules.

Traditionally, the IMF exercises surveillance. Nevertheless, during the turmoil of the Asian crisis, Japan went as far as proposing an Asian Monetary Fund, (AMF), a regional IMF for regional surveillance and crisis management. Later, Africa, in the framework of its New Partnership for African Development (NEPAD), has decided to exercise regional surveillance, and the Economic Commission for Africa has, since, proposed some preliminary guidelines for peer reviews. Surveillance can certainly be exercised at the regional level, but if the IMF keeps responsibility for crisis management and does not recognise the validity of regional surveillance, countries are likely to be reviewed twice, which is time consuming, and could be confusing if norms differ. This calls either for regional IMFs indeed or for an agreement between the IMF and regional surveillance institutions. The issue of articulation between regional and global surfaces here about a sectoral matter.

The risk of international contagion in the case of major balance of payments crises could, *a priori*, justify management of these crises by a world institution, such as the IMF.

But in fact, during the Asian crisis, it was the measures taken by the Federal Reserve, not by the IMF, that prevented a world extension of the crisis. From an Asian point of view, the crisis itself was not appropriately managed by the IMF: contagion in the region was not avoided, conditionalities delayed the transfer of funds that were immediately needed to prevent the deepening of the crisis, and policies imposed on the countries pushed them into a long recession, at the exception of Malaysia that ignored IMF recipes.[18] Macroeconomic consultation and surveillance under the auspices of the IMF are necessary to guarantee policy coherence among major industrialised countries (meeting of the G7 ministers of finance); but, it is inefficient to try to globally manage the externalities generated by macroeconomic policies on neighbouring countries, regional effects of potential debt standstills and workout procedure. Regional arrangements offer a far more adequate framework and, in particular, may react more rapidly and adequately than the global International Financial Institutions.

Beyond crisis management, regional institution could play a role in resource allocation. There is a good precedent with the European Regional Development Fund that allocates resources to less advanced regions of the EU countries. It plaid a key role in the development of Ireland, Greece and Portugal and was an element of EU attractiveness for Eastern European countries. The creation of similar funds for Africa, Asia, Latin America and Western Asia would require resources, allocation criteria and institutions for managing them. Resources should come from each region as a mark of regional solidarity and could be based on import duties. They should be supplemented by international public aid. Allocation criteria should be established on a regional basis to better fit country needs and facilitate regional integration. The Regional Commissions have the capacity to host the necessary negotiation and to monitor implementation of the criteria. For managing the funds, regional Banks exist in each region with the exception of Eastern Asia. They have the expertise and the credibility. That being said, the failure of establishing a fund for the diversification of African commodities under the auspices of the African Development Bank illustrates the reluctance of developed countries for funds they do not control. It remains that the poor achievements in development and surveillance of global financial institutions at least authorize to explore other avenues, including the regional ones.

Strong regional financial institutions could serve as buffers in crisis management, provide a better-informed, and appropriate service and finance to small countries. The idea of regional monetary funds, brushed aside by the US Treasury, should be reconsidered and the role and means of Regional Development Banks enlarged. Indeed, “ for smaller countries, access to a broad menu of alternatives to manage a crisis or to finance development is relatively more important than "the global public goods" that the largest international organisations provide."[19] Due to their small size, their negotiating power vis-à-vis large organisations is very limited and regional organisations are more likely to better address their needs. Once again, the regional institutions can avoid the "one fits all policies" more easily than the global ones.

Regional or global rules for enterprises?

Enterprises attach great importance to predictability and transparency of the rules to which they have to comply. From this point of view, as they may operate globally, they welcome the global rules related to trade, investments, national competition and intellectual property rights that WTO is promoting, even if, at the same time, they appreciate the facilities that some countries or regional groupings offer for new investments and tend to lobby concerned governments for their extension beyond agreed limits.

There are two areas where in the absence of global rules regional ones can offer an alternative. First, there is no global rule to regulate international competition. The EU has developed regional competition rules that could inspire the endlessly postponed debate at the global level. Second, recent scandals have shown that existing accounting and reporting mechanisms can be manipulated and provide misleading information to stakeholders who, therefore, lose confidence, which undermines growth and employment. Also related to accounting systems is the practice of certain multinational corporations to manipulate the internal transfer prices of services or goods in order to make losses or benefits appear where more advantageous. This may lead to organising the bankruptcy of a sound subsidiary, leaving creditors and employees without recourse and eventually retirees with under-financed pension liabilities. The liberal answer is that the market will eventually sanction wrong behaviour. It is not convincing. To attempt negotiating a unique accounting system may not be necessary and, in any case, would be very difficult because of differences in legal systems and habits. In existing regional forums, like the UN Regional Commissions and the OECD, comparisons between the national rules applied to auditing entities could already help in the development of criteria and legal obligations that countries concerned with the recent drift of the capitalist system could apply. For instance, in Switzerland, auditors in auditing companies are obliged to signal irregularities not only to the firm's management but also to a federal office. Failure to do so can result in a revoked license to practice. Certainly international debates should aim at agreements on principles rather than on detailed rules. In the United States, there is a precise list of what the enterprises should not do in reporting on their activities. A good lawyer can demonstrate that the companies did not infringe the precise rules even if the spirit that guided their adoption was violated.

As the dramatic begging thy neighbour policies of the 1930s are now practised by big companies, the international debate should address the responsibilities of the firms vis-à-vis customers, employees and shareholders and consider if the absolute priority given to shareholders during the last twenty years is not undermining the whole system. This would provide a better basis for condemning irresponsible enterprises than a set of detailed restrictions that can always be overturned. It will not be easy "in a political climate in which corporate insiders get pretty much what they want" and the politicians who do their bidding are not likely to pay any price.[20] The United Nations Secretary General, Kofi Annan may have had these issues in mind when he proposed the "Global compact" to the heads of large companies gathered in Davos. It is regrettable that the UN was unable to follow up with, in particular, a thorough debate on accounting standards and governance practices. Here is a case where principles should be discussed at the global levels and applied at the national or regional levels depending on the degree of integration of the regional grouping.

To regionalise UN-civil society relationships?

As the world of enterprises, the world of civil society organisations (CSO) is extremely diverse. They have an impact through the ideas they develop and the actions they conduct. [See the chapter by Diana Tussie and Pia Rigirozzi] Through their participation in the UN debates and negotiations in particular, CSOs feel now the need to contribute to the world governance, and influence governmental decisions. The involvement of the civil society in United Nations activities began on the occasion of the first global conference on the environment at Stockholm in 1972. Thereafter the civil society has been present to all global conferences. Confined for two decades in lobbying activities, they delivered statements in plenary and volunteered general propositions outside the negotiating rooms. Increasingly, they are now more and more invited to participate in the debates and to make precise proposals in the negotiations even if, the UN remaining an intergovernmental organisation, they are not part of consensus decisions and do not vote.

At the same time, because of the multiplicity of the CSOs and their divisions, the relationship between the UN and the civil society risks becoming unmanageable unless they organise themselves. Representatives of the civil society met in Geneva in June 2003 at the invitation of the United Nations Non-Governmental Liaison Service (NGLS) to discuss the matter. Interestingly, they recommended refraining from participating massively in fashionable global meetings, "redressing the perennial deficit of southern NGO participation in the UN process", and, interestingly for the purpose of this article, regionalising their relations with the organisation. They went on to say: "different experiences to date suggest that it is important to avoid a "top-down" approach to regionalisation where the UN chooses its regional partners (however expedient from a political and bureaucratic perspective) as such an approach … may lack both sustainability and legitimacy. Instead, it was proposed to build gradually on processes and networks that have formed endogenously at the sub-regional and regional levels."[21]

Some institutional consequences

The cases presented in the precedent section have highlighted that geography matters and that regional institutions, more than global ones, can, in many cases, better address the needs of population. This does not mean that global institutions are irrelevant, but raises two basic questions: Is there a need for new institutions to manage global and regional dynamics? Are sub-regional, regional and global institutions sufficiently articulated in a world where global and regional trends coexist?

Regional or global, old or new institutions

When choosing between regional or global institutions to address an issue of concern to all countries in the world, the question of diseconomy of scale should be addressed and the principle of subsidiarity applied. In many cases, this is likely to give the advantage to regional institutions for the reasons developed in the first two parts of this chapter and, furthermore, global issues do not need necessarily to be given identical answers throughout the world. When it is considered that a global problem would be better addressed in regional institutions, the issue of coherence among regional approaches and between them and an eventual global one arises. It may be that the coherence needed is simply about finalities and general principles or that closely articulated provisions are necessary. In the example of enterprises given above, accounting and auditing mechanisms may have to be harmonised at the regional level while at the global level only a debate about the relative priority given to consumers, stakeholders and employees may be necessary to avoid misunderstandings about foreign investments. In the case of surveillance, it was suggested that to avoid double inspections the IMF should recognise the validity of regional surveillance, which implies detailed discussion on surveillance procedure and criteria.

As to whether a new institution should be created to address a new or unresolved issue, the answer is likely to be no. There is already an array of regional or global institutions that can accommodate any new issue provided that they are able to adapt rapidly. It is true that von Hayek and von Mises insisted that, in general, institutions evolve gradually and that both their agenda and policy orientations show strong continuities over time. But, there would appear to be good reasons for this and, first of all, many of the fundamental problems are never “finally” solved – instead they constantly re-surface in one form or another. In other words new issues are often old ones reformulated in a new context. To list a few: How should change be managed and the costs of adjustment distributed? To what extent should enterprises be controlled and by what instruments? How can productivity be improved? Can government intervention improve economic outcomes? How far should domestic economies adjust to the dictates of the international economy? How should the international monetary system be managed? Etc.

Too often, old institutions are criticised and new ones are proposed to hide the fact that governments did not have the will to solve problems in the existing institution and want to give the illusion that they have done something in creating a new institution and pretending that it would be more successful. A second reason for not creating new institutions too lightly is that it takes time for an institution to function smoothly: beyond the mandates, rules and regulations, non written elements have to be put in place for the Secretariat to accomplish its tasks efficiently and for customers to properly use the institution. Secretariats acquire comparative advantages in certain areas and this specialisation is reinforced over time. In fact, what matters in an institution are its culture, its intellectual attitudes and its approaches to fulfilling its mandate. An institution can be dismantled without damage if it has failed to build a constructive attitude and accumulate experiences, not if, only, it has not succeeded in solving a problem.

The development of inter region relationship

The European Commission was first to establish relations with other regional arrangements. They developed slowly but interesting initiatives in the perspective of globalisation were taken. EEC and ASEAN established informal relations in1972; they were formalized in 1977. Nevertheless, to date, these relations remain at the level of dialogue on, and reviews of, political, security, and commercial issues despite the importance of ASEAN in EU external trade and the dynamism of Asia. With Latin America, cooperation initiatives focused on cultural and political matters and were more directed to individual countries than to regional groupings of the region until the 1980s. Major changes occurred in the 1980s and 1990s: Europe became aware that its natural cultural links with the region were no longer sufficient to maintain its presence and influence in the region that was becoming less Latin and more American; in addition, Spain and Portugal had joined the Community. Europe helped to restore peace and democracy in Central America through the San José dialogue in 1984. In the 1990s, the emergence of an outward oriented regionalism in Latin America, that CEPAL labelled open regionalism, incited the EU to shift its attention from bilateral relations with countries to relations with regional groupings. To date negotiations with MERCOSUR with the long-term perspective of establishing a free trade agreement are the more advanced.

These developments could not leave the United States indifferent, not only because the Union was playing a political role in Latin America but also because it was exploring with MERCOSUR forms of arrangements between regional entities that might become very attractive for developing countries and change the management of globalisation. A constant goal of American foreign and trade policy is to defend the interest of American farmers and industries, *i.e.* market access and safety for investments, To this end the US (as the EU) has long favoured bilateral agreements with selected countries, yet the renewed dynamism of regional groupings has obliged it to design policies toward the more important among them. They are at the level of dialogue, technical assistance and are supported by lobbies of enterprises active in the region. In the Americas, the USA launched the North American Free Trade Alliance with Canada and Mexico whose implementation started on 1 January 1994 and more recently the Free Trade Area of the Americas (FTAA) that is still in a phase of difficult negotiations. The former is the recognition that even the United States could draw benefits from belonging to a regional free trade alliance and is also seen as a "catalyst for broader international co-operation". The latter is the traditional pursuit of national interest and also a response to the role that the European Union wants to play in supporting the renewed dynamic of regionalism in Latin America as illustrated by the two following quotations: “The United States is committed to completing the Free Trade Area of the Americas (FTAA) process by 2005 in order to expand markets for the U.S. goods and services and help insure safe destination for U.S. foreign investments.” [22] “One reason behind the U.S. push to implement the FTAA earlier is the fact that MERCOSUR is set to clinch a free-trade deal with the European Community within the next two years. The United States would like to firm up the FTAA before that happens. …. MERCOSUR’s turn to Europe has to do with more than just trade and investment. There is also talk for a “little Maastricht” for countries of the Southern Cone, and European know-how and experience is being sought in this regard”[23].

In the same spirit, it is not surprising to also hear voices from Asia about what model would meet the interests of this region and also that the U.S. wonders about which regional alliance to promote in Asia. Focusing on security issues, Kurt M. Campbell concludes that in Asia “leadership on multilateral initiatives should arise from within the region and then gain support from Washington, rather than the other way around”[24]. This is valid for economic issues as well and echoes a current of thoughts in Japan that calls for a sweeping reconsideration of the fundamental “Follow the U.S.” mindset within the Ministry of Foreign Affairs. Considering that Japan has more in common with China than with the U.S. because of history and geography, remembering that the U.S. opposed a plan for an Asian Monetary Fund that could have prevented the Asian crisis from spreading and interfered in many Asian economic issues, Makoto Taniguchi welcomes the new attitude of Japan vis-à-vis ASEAN + 3 (China, Japan and South Korea) and calls for “regional co-operation in East Asia through the establishment of economic zone [which could] be one of the ways to bring peace and political stability in this region”[25].

Regionalism could therefore be one of the possible stones on which to build a system of governance of globalisation, a system that EU and the US, are already trying to shape to serve their economic and political interests.

Articulating global and regional levels.

Certainly, the development over the last decade of what some authors call inter regionalism is particularly important for the management of globalisation in the future. The EU relations with regional groupings, has taken on a new dimension with the Single European Act, 1987, and the Maastricht Treaty, 1992, which gave the Commission a mandate to raise the profile of European external policies. As already mentioned, the conversion of the U.S. to regionalism and the prudent move of Japan toward considering the strategic possibilities of regionalism, challenge the EU leadership in this domain. This has also encouraged regional entities in the developing world, traditionally attached to develop intra regional activities, to enlarge their ambitions to the development of inter regional relations.

Will therefore inter regional relations become the determinant factor of globalisation and the main instrument of its governance? The answer is far from being clear. So far only a few regions have established bilateral dialogue mechanisms, they have not signed any binding agreement. The dialogues cover a broad range of issues: the economy and development, environment, cultural co-operation, political and security matters, but at this stage it is difficult to say that they will play a significant role in determining the future map of commercial and geopolitical relations. For instance, the ASEAN-EU is still to envisage a "Trans-Regional EU-ASEAN Trade Initiative (TREATI) that could lead to a preferential trading agreement in the future. EU and MERCOSUR have exchanged information on tariff barriers and have clarified tariff offers, but doubts linger about the intentions of the EU to finalise a comprehensive agreement on market access which is at the very heart of objectives of the MERCOSUR countries.[26]

Inter regional relations are still in need of proper practices, clear goals, and concrete results. They have to transform dialogues into negotiations of agreements, to find ways to compensate imbalances between parties and to prove that they have a positive impact on global negotiations. If they succeed, they will have a decisive influence in the management of globalisation, if not, they will remain another layer of discussion, useful but time consuming. To succeed there are at least two conditions. First, once again, the secretariats of the regional groupings should have delegation of authority and clear mandates to take initiatives and explore possible inter regional agreements. This is not often the case as illustrated in a recent encounter between the EU and ASEAN, where Pascal Lamy, the European Commissioner, found himself alone vis-à-vis ministers from each ASEAN country who had divergence among themselves on what to achieve and how. Second, bilateral relations between regional groups should be institutionalised, which means that they take place regularly with an agenda prepared in co-operation between the secretariats.

The example of the UN Regional Commissions

With its Regional Commissions, the United Nations offers an example of integrated regional and global institutions. While created over a period of twenty-three years, they received broadly the same mandate, basically to respond to the need of their region:

> “To initiate and participate in measures for facilitating concerted action for the economic reconstruction (development) [of the region], for raising the level of economic activity and for maintaining and strengthening the economic relations of the countries both among themselves and with other countries of the world”, “to make and sponsor … investigations and studies, to undertake or sponsor … statistical information”

It is only later that they were presented as “the regional arm” of the United Nations.

The five regions were in varying degrees confronted with very similar problems of unity, growth and development, and globalisation to which they brought different answers. To the diversity of Asian countries and the immensity of the region, ECAFE (former name of ESCAP) responded in creating common regional institutions that united the region successfully. To overcome the political and ideological division of Europe, ECE, as already mentioned, developed conventions, norms and common standards to facilitate transport and trade and to co-ordinate the fight against pollution. ECA decided first to establish and support sub-regional entities. ECLA and ESCWA were lees concerned by unity than by intra regional co-operation. Based on the seminal Prebisch’s analysis of the deterioration of the terms of trade, ECLA proposed the “import substitution strategy. For Africa, the ECA recommended “a collective self reliance strategy” in response to the failure of the classical open trade policies. ECLAC, ESCAP, and ECE stated the role of the regions in the process of globalisation.

The answers given by the Regional Commissions, even to similar problems, were different because of the specificity of each region. The institutional dimension is key to explain the adequacy of their answer to regional problems. Indeed within the UN System, developing an idea to meet some regional need or adapting a global idea to the specificity of a region is not exclusive of the Regional Commissions; most UN specialised agencies, funds and programmes have established regional offices. The crucial difference, however, is that contrary to Regional Commissions, these offices do not respond to a regional intergovernmental machinery, but to global ones. The general mindset developed between governmental representatives and the staffs of the Commissions through a multitude of negotiations permits the latter to interact constructively with its “customers”[27]

The debate on relationships between global and regional entities that arose at the time of the creation of the UN Regional Commissions has never ceased. After more than fifty years it appears that ideas did circulate between the regional commissions and the global entities of the UN: the deterioration of the terms of trade inspired UNCTAD's work; the import substitution strategy influenced the Second Development Decade. ECAFE's pioneering work on population prompted the UN entities and specialized agencies to integrate the population dimension into their activities. Several of the conventions and norms or standards adopted in ECE became global. The Regional Commissions contributed to the UN ideas and, conversely, impulses were given to the work of the Commissions by the global thematic conferences of the 1970s and 1990s, in particular those on environment and women.

However, despite interaction between the Regional Commissions and the global UN entities, the latter did not use the former properly. Even worse, as illustrated in the following example, any usefulness is sometimes doubted. After the fall of the Berlin Wall, at the initiative of Willy Brandt, a commission on Global Governance was convened whose report *Our Global Neighbourhood* analysed the situation created by the end of the Cold War and globalisation. The report proposed a thorough reform of the United Nations to adapt to the changes that had occurred since its creation 50 years earlier. It praised the contributions of the regional commissions, "notably ECE and ECLAC," recommended that: "The continuing utility of the Commissions now needs to be closely examined and their future determined in consultation with governments in their region."[28] The main argument of *Our Global Neighbourhood* regarding the regional commissions started with the observation of the dynamism of regionalism and the spread of open regional groupings. The report went on to say that the United Nations should prepare itself for the time "when regionalism becomes ascendant world-wide, and even help the process along." It concluded that this "objective could be helped if resources now spent on the Regional Commissions were diverted to the support of these [regional and sub-regional] organisations and their activities."[29] One response to this could have been that the Regional Commissions were already co-operating with, or had themselves created, many of these independent sub-regional or regional organisations and that it would be simpler and more efficient for the UN headquarters to deal with this blossoming nebula of organisations through the commissions rather than directly with them.

The Regional Commission could even be seen as an instrument for revitalising the United Nations, as they are closer from governments' concerns than the global entities and more able to agree rapidly on practical decisions to meet their needs. [See the Chapter by Pierre de Senarclens]. But, moreover, the fundamental *raison d'être* of the Regional Commissions is that they are instruments for the unity of the regions. In this role, they have the added advantage, over any other regional grouping, of being part of the United Nations and benefiting from its moral authority. Their neutrality on divisive issues reassures the weakest countries, which gives them the possibility to voice their concerns and to receive attention. Therefore, the Regional Commissions need the UN. Conversely, the world organisation needs the Commissions to be able to integrate the diversity of the economic and social world and to distinguish between what is of universal application and what should remain regional or local. In this respect the issues are no different from those facing, for example, the members of the European Union in their relations to the European Commission in Brussels or, within individual countries, concerning the distribution of power and responsibility between the capital and the regions. The common thread is the discovery, or re-discovery, of the limits of centralisation in an increasingly complex world.[30]

Visiting Utopia toward the end of this century, the political scientist would be wonderstruck by a peaceful world free from inequitable disparities where the principle of subsidiarity is scrupulously respected. The reorganised United Nations [See Article by Pierre de Sénarclens] sets principles and global norms and rules with a universally accepted hierarchy among them; it facilitates co-operation between the ten to twenty UN Regions in which countries are grouped; through dialogue, it prevents disputes and, eventually, applying transparent criteria, it intervenes to settle disputes between regions or within a region at its request; it levies taxes to transfer financial means toward Regions in need. The Regions are the pillars of the world organisation. Their structure is a hybrid of the European Union and the UN Regional Commission. From the Regional Commission, they retain their appurtenance to the United Nations, which facilitates inter-regional co-operation, exchange of experiences, and the dissemination of efficient norms. From the European Union, they retain the strengthened Parliament, the delegation of authority for matters that have to be addressed at the regional level and for trade and financial negotiations with other Regions, and the mechanisms of transfer of resources toward poor areas. With the exception of the functions they have delegated to their UN Region or to the United Nations, sovereign States keep their basic function of defending the civil and political, economic, social, and cultural rights of individuals, to pursue sustainable development policies, and "to enhance justice through redistributive policies".[See the Chapter by Ali Kazancigil]. Of course, to avoid the possible Orwellian drift of such an organisation, the UN system would have integrated local authorities and civil society organisations in the decision making process. All the ingredients of this Utopia exist at the beginning of this century: the necessity of the UN is recognised even by those who do not like it and its normative role is unquestioned even if challenged; the EU despite its irritating weaknesses remains the model of open regionalism while keeping the means to protect itself against the negative aspects of globalisation; CSOs and local authorities play an increasing role in international affairs; but the recognition that it would be the best of the worlds.

Concluding remarks

The experience of the following decades confirms what Robert W. Gregg had already noted in 1966 that regional integration is more the result than the cause of development. "If recent experiences with integration yield any lesson, it is that urban-industrial societies with a relatively high level of economic diversification are better candidates for more rapid progress towards union than underdeveloped, mono-cultural societies. Ironically, the integration movements in Europe … are probably an important factor in spurring experimentation with economic unions in areas which otherwise fail to meet some criteria for integration."[31] Development in Europe, Americas, and Asia, therefore, explains why, paradoxically, in these regions, trends are more toward regionalisation than globalisation of trade and financial flows.

A consequence of this is that regions will gain importance, as economic development will comfort historical and cultural forces behind regionalisation. The building of regional entities and the institutions to make them co-operate effectively in managing globalisation is for the political scientists a challenge of the future. Two lessons from the past could help them. First, even if conditions to develop a full-fledged regional entity are not met, i.e. if a common vision and a sustained will are missing, regional technical agreements can by themselves improve the daily life of business and individual. Second, it takes time to build a regional entity and it is wise to do it progressively. In this process, the role of the secretariat is essential and the first sign of common will is to give it means and a first class staff.

A second concluding remark on the different nature of regionalisation and globalisation: Regional economic arrangements, whatever form they take, recall the necessity of understanding the historical context of the socio-economic problems for which they are searching effective policies and strategies. Automatically, they go against the neo-classical approach imbedded in the normative dimension of globalisation that, in its tendency to prescribe “one-size-fits-all” policies, plays down the importance of socio-economic processes that they present as a constraint on policy-makers’ freedom of action.

A last remark: Regionalisation demonstrates its dynamism through the construction of multiple regional entities or agreements. These entities are now entering into organised relations. The nascent inter regionalism will influence the course of globalisation and its management as much as nation states will have delegate more responsibilities to the region to which they belong.

Table 1: Intra- and inter-regional trade flows in 2000

Share of intra- and inter-regional trade flows in each region's total merchandise exports, 2000 (%)							
Region	ECE			ASIA	LATIN AMERICA	AFRICA	MIDDL
	North America	*Western Europe*	*Central and Eastern Europe, Baltic States & CIS*				
ECE							
North America	**39.8**	18.5	0.6	21.6	16.5	1.1	1.9
Western Europe	10.8	**67.8**	5.3	8.2	2.3	2.4	2.5
Central and Eastern Europe, Baltic States & CIS	4.4	54.2	**26.6**	7.4	2.2	1.1	2.6
ASIA	25.7	16.9	0.9	**48.9**	2.5	1.3	2.5
LATIN AMERICA	61.3	12.5	0.8	5.8	**17.3**	0.8	0.8
AFRICA	17.9	49.7	0.7	17.2	2.8	**7.6**	1.4
MIDDLE EAST	15.6	18.3	0.8	47.9	1.1	3.8	**6.5**
World	22.7	39.4	3.7	23.1	5.6	1.9	2.4

Source: World Trade Organization, *International Trade Statistics 2001*, (Geneva: WTO, 2001), 40, Chapter III: Trade by Region, Table III.3; also available at the following address: http://www.wto.org

Notes: North America, Western, Central, Eastern Europe, Baltic States & CIS are presented in separated groups in WTO *International Trade* Statistics. But here it has been grouped in the second column. Unfortunately, the others regions cannot be detailed.

Table 2: Intra-trade of Regional Grouping as %of total exports of each grouping

	1960	1970	1980	1990	2000
Ed (6)	34.6	48.9			
EC/EU (15)			60.8	65.9	60.7
NAFTA			33.6	41.4	54.9
CMEA	62.3	60.5	51.1	38.2	…
Andean Group	0.7	2.3	3.8	4.1	9.1
CACM	7.5	26.8	24.4	15.4	12.1
MERCOSUR		9.4	11.6	8.9	20.8
CARICOM	4.5	7.3	9.1	9.8	14.9
ECOWAS	1.2	2.9	10.0	7.8	10.2
SADC			0.4	3.1	8.7
ASEAN	21.7	21.1	17.4	19.1	22.7

Sources UNCTAD, Statistical Yearbook, 1983, 1993,and 2003

[1] "Globalization: A European Perspective", note prepared by the secretariat of the United Nations Economic Commission for Europe to the Interactive Debate with Heads of UN Regional Commissions at the UNCTAD X Meeting, Bangkok, February 2000.

[2] In the statement of the UN Secretary General at the WTO Summit delivered by Rubens RICUPERO, Secretary General of UNCTAD, in Cancun, 10 September 2003.

[3] Henry KISSINGER, "Globalization and the World Order," A lecture delivered at Trinity College, Dublin, 12 October 1999, quoted in ECE, "Globalization: A European Perspective", see note 1, p 4.

[4] The ECE region covers all European countries, including ex-USSR countries, as well as USA, Canada and Israel.

[5] Yves BERTHELOT and Paul RAYMENT "ECE: a Bridge between East and West" in *Unity and Diversity of Development Ideas: Perspective from the UN Regional Commissions,* Yves BERTHELOT ed., Bloomington, IND. Indiana University Press, 2004, Chapter 2.

[6] See UN-ECE, "European Steel Trends in the Setting of the World Market", New York 1949, in *ECE, The First ten Years, 1947-1957,* Geneva 1957, footnote (1) page XIV-10: "M. Jean MONNET, when … he set out to draft a practical plan for co-operation in the coal and steel field, needed independent expert advice and, at the request of the French Government, the Director of the ECE Steel Division and his assistants were instructed to give whatever help they could .… The first draft of possible technical clauses for the creation of a European Coal and Steel Community was worked out in ECE by the then Director of the Steel Division, though naturally without our taking sides on the political issues involved."

[7] United Nations, *The Economic Commission for Europe in the Age of Change,* New York and Geneva, 1998

[8] A detailed account of the negotiations related to she Marshall Plan is given in Vaclav KOSTELECKY in *The united Nations Economic Commission for Europe: The Beginning of a History*, Göteborg, Geographic Systems AB, 1989

[9] Treaty establishing the Caribbean Community and Common Market (CARICOM), 4 July 1973,

[10] Declaration on the establishment of an international organisation to be known as the Southern African Development Community (SADC), August 1992

[11] Treaty establishing the Association of Southeast Asian Nations, 8 August 1967

[12] Southern Common Market (MERCOSUR) Agreement, 26 March 1991

[13] Between 1975 and 1993, the Frontline States regrouped Angola, Botswana, Mozambique, Tanzania, Zambia, and Zimbabwe

[14] *The Department of State Bulletin,* XXXVI, 919, (4 Feb. 1957), p.182, Internet access 28 08 03

[15] Intra regional trade in North America is low compared to intra European trade because trade between the different USA States is not taken into account in the table.

[16] Angus MADDISSON, *Monitoring the World Economy 1820-1992,* OECD, Paris 1995, table 3-3, p.63

[17] José Antonio OCAMPO, "Recasting the International Financial Agenda", paper drawing on the work of the author as coordinator of the Task Force of the United Nations Executive Committee on Economic and Social Affairs (1999), as well as joint work with Stephany GRIFFITH-JONES supported by the Swedish Ministry of Foreign Affairs.

[18] For further details on surveillance and crisis management see Yves BERTHELOT, "The international financial architecture – plan for reform", in International Social Science Journal, No 170, (December 2001), p 585-596

[19] José Antonio OCAMPO, see note 17.

[20] See Paul KRUGMAN "The U.S. corporate system still needs fixing" in the *International Herald Tribun*e Saturday-Sunday, January 10-11 2004.

[21] Report of the Consultation with Civil Society on "The Crisis in Global Governance: Challenges for the United Nations and Global Society", Geneva 4-6 June 2003

[22] US-AID. Caribbean Regional Program

[23] Otto J. REICH, Assistant Secretary, Bureau of Western Hemisphere Affairs, U.S: Department of States, *U.S. Policy in the Americas and the Role of Free trade,* usinfo.state.gov/journals/ Internet access 28 08 2003

[24] Kurt M. CAMPBELL, senior vice president and director of the International Security program at the Center for Strategic and International Studies, "The Challenges Ahead for U.S. Policy in Asia", condensed version of a presentation to FPRI's Inter University Study Group on the U.S. and Asia, 30 March 2001

[25] Makoto TANIGUCHI, Director, Research Institute of Current Chinese Affairs, Waseda University, "Without an Independent and Multilateral Foreign Policy, There is no Future for Japan", in *Sekai*, July 2002

[26] "Global positioning of the European Union and MERCOSUR: Towards a New Model of Inter-regional Cooperation", Annual Lecture of the Chaire MERCOSUR, Institut d'Etudes Politiques, Paris, 4 April 2002

[27] Yves BERTHELOT. "Unity and Diversity of Development: the Regional Commissions' Experience" in *Unity and Diversity of Development Ideas: Perspective from the UN Regional Commissions,* Yves BERTHELOT, ed., Bloomington, IND. Indiana University Press, 2004, Chapter 1

[28] The Commission on Global Governance, *Our Global Neighborhood*, Oxford, Oxford University Press, 1995, p. 291.

[29] Ibid, pp. 286-291

[30] Yves BERTHELOT, "Unity and Diversity of Development: the Regional Commissions' Experience" in *Unity and Diversity of Development Ideas: Perspective from the UN Regional Commissions,* Yves BERTHELOT, ed., Bloomington, IND. Indiana University Press, 2004, Chapter 1.

[31] Robert W. GREGG, "The UN Regional Economic Commissions and Integration in the Underdeveloped Regions," *International Organization* 20, no. 2 (Spring 1966), p. 213.