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Abstract

In this paper it will be argued that we are currently witnessing a transition from the classical Westphalian world order to a world order where regions – next to states – play a central role and where processes of regional integration increasingly shape international relations. This transition is linked to a series of transformations in the nature and scope of regional integration processes. After a first generation of regional integration that focussed primarily upon trade and regional integration, a second generation – often referred to as ‘new regionalism’ – broadened regional integration to internal policies and regulations. Today, a third generation of regionalism is emerging that emphasises the role of regions as global actors. This third generation regional integration can lead towards a new ‘regional world order’ that is not post-Westphalian but rather neo-Westphalian as it still builds upon states as key actors but in a broader regional framework. Viewed from a U.N. perspective, this emergent world-order opens possibilities to re-think multilateralism into what Hettne (2003) has called “multiregionalism”. But for this to happen, the U.N. will have to find ways to better incorporate regions and regional integrations in it’s functioning. The institutionalisation of the regional-global co-operation in the security field represents a first step on this road.

1. The challenges to the Westphalian world order

One can picture the world as a ‘system’ consisting out of independent but interacting sub-systems. A useful way to describe this is by using the concept of ‘world-systems’. However, this concept is closely associated to a theoretical approach linked to the work of Wallerstein (1974, 1980, 1989) which was focusing on the modern economical system, with 1450 as a starting point, and not on the modern political system, which started with the Treaties of Westphalia in 1648. Another way of looking at the global level is to picture the relations between the different forms of human governance as a ‘world-order’. Such a ‘world-order’ can be defined as a more or less coherent set of rules, principles and practices regarding the relations between states. But the concept of world-order embraces more than how the inter-state system is governed. It includes also how human civilisation, as a whole, is organised politically and economically. Mc Grew (2000:16) outlined three constitutive elements of any historical world order:

1. Its 'deep structure' as defined by its fundamental organising principles and rules;
2. The primary forms and institutions of global governance which regulate and produce order;
3. Its dominant ideologies and political practices that legitimise (i) and (ii).

Today, the dominant way of looking at the world is one in which countries are seen as quasi-independent territorial units that are the primary building blocks for social and political life. This 'deep structure' is often referred to as the 'Westphalian order' that goes back to the 1648 Treaty of Westphalia which ended the Thirty Years War in Europe. The starting point of this Treaty has been the granting of 'sovereignty' to 300 German princes while at the same time reducing the authority of the Holy Roman Emperor. This sovereignty consisted out of an empowerment to contract treaties with one another and with foreign powers. Designed to bring peace in Europe, it had as an unintended consequence the creation of a world order based on a 'state system'. This world order has then spread from Europe to the rest of the world.

The Westphalian world order as we know it today rests on four principles (Mc Grew, 2000:3):

- i) Territoriality: states have fixed territorial boundaries, which define the limits to their legal jurisdiction and the scope of their political authority.
- ii) Sovereignty: states, as national governments, claim the exclusive rights to rule and to be the ultimate source of legal and political authority over the people within a delimited territory.
- iii) Autonomy: states are entitled to conduct their own internal and external affairs in a manner, which only they are competent to decide and free from external intervention and control.
- iv) Legality: relations between sovereign states may be subject to enforceable international law only in so far as it is based on treaties. There is no legal authority beyond the state that can impose legal duties upon it or its citizens, and war is a legitimate instrument of international relations.

The above principles are the structural pillars that singly and collectively allow the present-day existing Westphalian World order to function efficiently. Its basic building block, the nation-state, is not only responsible for internal order and external

defence, but also for the welfare of its citizens and their civic engagement. Sovereign states remain the most important territorial units today. As noted by Jönsson et al. (2000:25): ‘States provide the frame of reference for economics, social life and thinking. They are the foundations of the individual’s identity’. How deep this world-order is rooted in our present-day thinking can be illustrated by the Declaration of Human Rights where it is stated that every individual has the right to have a nationality.

As the building blocks of the Westphalian world-order can never be totally isolated from the rest of the world, a system of inter-national and supra-national rules and regimes has emerged that governs issues that necessarily have to be dealt with a higher level than individual states (such as air traffic control) and that governs the relation between states (for instance trade). As a result the Westphalian world order has become one in which, next to states, international regimes have their place as well. At the global level, the United Nations are exemplar of this and multilateralism has become the twin-concept that balances sovereignty.

Ruggie defined multilateralism in opposition to bilateralism as ‘an institutional form that coordinates relations among three or more states on the basis of generalised principles of conduct’(1993:11). He also specifies that ‘the multilateral form should not be equated with universal geographic scope; the attributes of multilateralism characterize relations within specific collectivities that may and often do fall short of the whole universe of nations’ (Ruggie, 1993:14; 1998:112) and includes regional organizations such as NATO in the range of multilateral organisations. The U.N. is in this sense the most comprehensive multilateral institution, as it aims towards universality. Caporaso makes a distinction between ‘multilateral’ and ‘multilateralism’: ‘Bilateralism, imperial hierarchy, and multilateralism are alternative conceptions of how the world might be organized; they are not just different types of concrete organization. The term “multilateral” can refer to an organizing principle, an organization, or simply an activity. Any from the above can be considered multilateral when it involves cooperative activity among many countries. “Multilateralism”, as opposed to “multilateral”, is a belief that the activities ought to be organized on a universal basis at least for a “relevant” group (for example, democracies). It may be a belief both in the existential sense of a claim about how the world works and in the

normative sense that things should be done in a particular way. As such, multilateralism is an ideology “designed” to promote multilateral activity. It combines normative principles with advocacy and existential beliefs’ (Caporaso, 1993:54-55).

World-orders are long-term processes. Nevertheless, as shown by history, world orders can change. Just as any other human creation, they are responsive to external factors and they have their own internal dynamics. They are subject to evolution, tending to answer the human governance concerns and the dominant ideology of a certain historical period in time. The Westphalian system has been developed in Europe, but has gradually expanded all over the globe. It certainly has a strong stability, but, nevertheless, it’s basic unit, the sovereign and independent state, is challenged today by a number of forces and developments, which, in the same time, may affect multilateralism as “an architectural form”, a deep organizing principle of international life’ (Caporaso,1993:53). Three issues can be highlighted amongst these developments: (i) globalisation and the limits of sovereignty; (ii) the size of nations and its impact on governance; and, (iii) the rise of subnational engines of prosperity.

1.1. Globalisation and the limits of sovereignty

The Westphalian world-order is challenged by globalisation because the sovereignty and autonomy of individual states is under pressure and because of changes in the influence of territoriality upon citizen identity. As argued by Scholte (2000:46), the core of globalisation is that it refers to supra-territorial relations between people and that it describes a significant change in the organisation of social space, that is, a move to a new geography that goes beyond the classic concept of territory. A territorial framework implies that people identify their ‘place’ in the world primarily in relation to territorial locations (see Slocum and Van Langenhove, 2004).

Globalisation then means a proliferation of social connections that are more or less detached from such a territorial logic. While in most of mankind’s history conversations have been limited to persons in the immediate neighbourhood, today a telephone conversation can occur across an ocean as readily as across the street. Understood in this sense, globalisation marks a distinct kind of ‘space-time compression’ and is thus different from internationalisation: “*Whereas international*

relations are inter territorial relations, global relations are supra territorial relations. International relations are cross-border exchanges over distance, while global relations are trans-border exchanges without distance” (Scholte, 2000:49).

Globalisation is an elusive concept that signifies an ongoing process of structural transformations with worldwide implications. At the heart of the phenomenon is an ever-changing concept of time and space, which is a consequence of a global intensification of political, economic, and social linkages that have fundamentally altered the nature of social interactions.

1.2 The size of nations and its impact on governance

A second challenge to the Westphalian world order comes from the fact that states are not stable elements of that order: they can be created and even annihilated. And also from the fact that states are not in terms of geographical size or economic or political power on equal footing with each other. Countries (nations) come in all sizes: from Tuvalu (11.000 inhabitants; surface 26 sq km or 0.1 times the size of Washington, DC area) to China (1.2 billion inhabitants, surface 9,596,960 sq km). The size of a nation can be explained by the historical processes that have been in play. Nevertheless, behind historical events such as wars, secession movements, etc., are economic and political forces that determine both size and the efficiency and effectiveness of nations in organising themselves. Alessina and Spolaore (1997) have studied to what extent a country’s size matters for economic success and political stability. They argue that it is possible to imagine an optimal size of a national state as one that reaches the highest level of average welfare and that given certain constraints. The tendency that they detect is that the number of small countries increases together with a need for more supranational institutions. They relate democratisation, trade liberalisation and reduction of warfare to the formation of small countries, whereas, historically, the collapse of free trade, dictatorships and wars are associated with large countries.

The differences in size together with the tendency to have smaller and thus more countries in the world pose two challenges for the Westphalian world-order. First, there is an unjust balance in the international arena. Only sovereign states are considered to be the legitimate building-blocks of the international system. This

means that, without balance of votes, a majority of small states could force their will against a minority of big states that however represent far more people. Subnational entities, like for instance California, have no voice of their own in the international system, while much smaller entities have so. Secondly, the increase in the number of countries makes transnational cooperation at the global level more difficult. WTO negotiations, for instance, now have to deal with more than 140 partners, each partner being in principle equal to the others. But, in practice, negotiating with that many people in one room is from a purely technical and organisational point of view extremely cumbersome and almost impossible. Hence the importance of 'green rooms' and regional pre-negotiations.

1.3. The rise of subnational engines of prosperity

The third challenge to the Westphalian world order comes from a transformation in where the governance of economic development is located. Ever since Adam Smith's 'The Wealth of Nations' it has been the national level, and in recent years this has been expressed in the concept of the 'national innovation system' (see Lundvall, 1992; Nelson, 1993). But, in today's world, increasingly micro-regions and not states have become the prime politico-economic units of local governance and creators of wealth. The devolution of power within states is a gradual process. After World War II, Europe has witnessed a process of revalorisation of the regions inside the nation-state. According to Anderson, this has been the result of three factors: the unequal economic development following World War II, the local reactions to cultural centralisation, and the creation of the European Communities (Anderson, 1994:10-11). Together, these three driving forces not only put strain on how states organise themselves, but also challenge the system of international relations and thus the world-order.

Nowadays, this process is even more influenced by the state being overloaded with new functions brought by globalisation, by the increase in the transnational flows of capital, goods and information, by the evolution of firms and the economy. Most visible in the context of European integration, where the regional level became a level of governance actively involved in policy implementation and then policy elaboration. In Europe, the increase in competences of the sub-national authorities, especially at

regional level, has challenged the classical *state-centric* governance (Moravcsik, 1993) and brought forward a new theory aiming to explain this new phenomenon as *multi-level* governance (Hooghe, L., 1996; Marks, Hooghe and Blank, 1996; Hooghe and Marks, 2001), or ‘the dispersion of authoritative decision-making across multiple territorial levels’ (Hooghe and Marks, 2001:XI). From this perspective, the European integration is a ‘polity-creating process in which authority and policy-making influence are shared across multiple levels of government – subnational, national, and supranational’ (*idem*:2). The weakening of the nation-state and the shift of competences to the new micro and macro-regional levels of government is the result of a dual process: ‘*European integration* has shifted authority in several key areas of policy-making from national states up to European-level institutions. *Regionalization* in several countries, including the most populous ones, has shifted political authority from the national level down to subnational level of government’ (*ibidem*:XI).

The mobilisation of the sub-national interests is now performed directly on the European stage, bypassing the nation-state, through the opening of regional offices in Brussels and the involvement of sub-national regions in various networks of sub-national actors acting at different venues inside the European institutions. Europe is also a laboratory for new phenomena such as cross-border sub-national co-operation. Differing from the neo-functionalist supranationalist thesis which underlines the importance of supranational institutions as ‘agents of integration’, the weakening of the state and the creation of a *Europe of the regions* almost federal in character, the multi-level governance theory brings forward the idea of a *Europe with the regions* where the state, despite this relative weakening, remains an important level of authority, together with the European and regional (sub-national) level (Hooghe, 1995:7).

Europe is not the only geographical area where sub-national authorities have increased in power. As shown by Breslin and Hook, microregionalism, as a process of growing regional interconnectedness that occurs below the national level, and which cuts across national borders (Breslin and Hook, 2002:8), is gradually becoming a world-wide phenomenon. This process is also based on a ‘growth spillover’ philosophy, as subnational political authorities in the more developed country try to exploit the lower production costs in the neighboring, cross-

border areas: ‘business enterprises strive to maintain international competitiveness and survive by becoming part of a cross-border production system at the microregional level rather than remaining solely part of a national economy’ (Breslin and Hook, 2002:9). Microregionalism can have a dual effect on the nation-state:

‘On one level, microregionalism might be perceived as an emerging layer of economic governance between the nation-state and the global economy – a mechanism through which the domestic meets the national and the global. Microregions, might, then, emerge as new sites of competency, and potentially authority, that could complement the role of the nation-state. [...] Alternatively, microregionalism might be seen as a challenge to the existing ‘Westphalian’ authority of national governments and nation-states’ (*idem*, 2002:9)

Although the rise of these sub-national processes is first taking place in the economic field, at local level, Breslin and Hook argue that authority and legitimacy will follow gradually the competencies of the microregional level, affecting the monopoly position of the states and impinging therefore on the Westphalian world order: ‘the new world order could involve governance on multiple levels, including the regional, subregional, and microregional as well as the national; in multiple dimensions of power, the political, economic, security and cultural; and in multiple sites of competency. [...] In other words, the Westphalian system, will be transformed from *the* site of governance, as in the orthodox realist view, to *one* site of governance’ (*ibidem*, 2002:9)

1.4. World-Regions as building blocks for world governance

The three developments mentioned above are putting a lot of strain on the Westphalian world-order. Both states and multilateralism are under siege. States are loosing their grip on all kinds of governance issues as other actors are becoming more and more important. Amongst these new actors, one can count non-state actors such as international NGOs, and multinational corporations, but also micro-regions operating within or even across nations and also all kinds of supranational regimes. At the same time, multilateralism as an institutional practice has it’s own difficulties. On one hand, because of the hegemony of one state that imposes unilateral actions going against the basic principles of Westphalian sovereignty and because of an increased criticism of how the traditional multilateral organisations are functioning. On the

other hand, states are increasingly forming regional organisations that function outside of the global multilateral environment of the U. N.

Regional integration between sovereign states (sometimes even leading to a ‘pooling’ of sovereignty) is a booming phenomenon, and, not surprisingly, it is nowadays seen as a process that, together with globalisation, challenges the existing Westphalian world-order. These two processes “deeply affect the stability of the Westphalian state system, thus contributing to both disorder and (possibly) a new global order” (Hettne, 1999:1).

World-regions such as the EU should certainly have their place next to states when analyzing how the world is organized geographically, politically and economically. But the question still remains of how to recognize a particular area as a region. Regions are human constructs based upon perceptions influenced by geographical, historical, economical, political and cultural factors. Territorial identity certainly plays an important role in the development of shared group identities of people. As regions define themselves, they are only identifiable *post factum*. There is no use in looking for one single criterion that defines a region, nor to come up with a ‘catch-all’ cocktail of criteria. It is the process of “regionification” that eventually defines the region, or, in other words: regions become ‘visible, by patterns of interaction’, which are occurring within geographical, historical, cultural, political and economic variables (see Van Langenhove, 2003, for an analysis of what are regions and how they become institutionalised).

2. The emergence of a ‘third generation’ regionalism and its impact on multilateralism

Regional integration has acquired several meanings as a process of interacting influences that have both a historic and geographical dimension. On the path towards building a coherent classification of the complex phenomenon comprised under the name of ‘regionalism’, the academic literature has paid attention to two dimensions: (1) the chronological one and (2) the qualitative one. Most of the works still mix a primarily chronological approach - identifying several successive ‘waves’ of regionalism - with a qualitative one – making the difference between ‘old’ and ‘new’

regionalism. Some (Schultz *et al* 2001) describe two waves, taking into account only the regional agreements developed world-wide after the end of WWII, others (Telò, 2001) see three distinct periods of regionalism, by including also in their calculations the experiences existing between the two world wars. The difference between 'old' and 'new' stem from the fact that 'we are dealing with a qualitatively new phenomenon' (Schultz *et al.*, 2001:3).

In order to better grasp the complexity of Regional Integration, we propose to use the term 'generations' rather than 'waves'. This helps to underline the possibility of coexistence of several kinds of regional agreements different in quality/content, while meanwhile also acknowledging that some forms of regional integration build upon previous ones. The use of 'generations' avoids the strict separation in 'chronological clusters' as we are still witnessing today the birth of 'first generation' agreements, which develop themselves next to more updated 'second' generation regional constructions, such as the EU, ASEAN, MERCOSUR. Hettne (1999:8) and Söderbaum (2002:16) have also found 'the identification of new patterns of regionalization (co-existing with older forms) more relevant' than a strict chronological separation between them. Speaking in terms of generations, also allows to avoid the dichotomy between 'old' and 'new' regionalism: is 'new regionalism' still new? It seems that a 'neo' *new regionalism* is gradually shaping up, with greater ambitions in global governance in general and the U.N. institutions in particular.

2.1. First generation: regional economic integration

The 'first generation' of regional integration is based upon the idea of a linear process of economic integration involving the combination of separate (national) economies into larger economic regions. This process begins with a free trade area - in which states agree to remove all custom duties and quotas on trade passing between them keeping however the right to determine unilaterally the level of custom duties on imports coming from outside the area - and moves through successive stages of integration (customs union, common market) until it reaches the point of an economic union (Viner, 1950; Swann, 1988, Gavin and Van Langenhove 2003). Mattli defines economic integration as 'the voluntary linking in the economic domain of two or more formerly independent states to the extent that authority over key areas of

domestic regulation and policy is shifted to the supranational level' (Mattli, 1999:41), underlining therefore the transnational aspect of the new economic ties created.

The classical example of this linear evolution of economic integration is offered by the evolution of Western Europe after WWII: the creation of the European Economic Community with the Treaty of Rome in 1957 removing the tariffs and quotas on intra-EEC trade, the achievement of a Customs Union in 1968 with the establishment of a common external tariff (CET), the creation of a Single European Market in the mid-1980s eliminating the barriers still existing to trade and the establishment of the 'four freedoms' of circulation (persons, goods, services and capital). The economic union is in the process of being completed following the creation of the single currency, but, even in Europe, there is still need for unification in some important fields such as fiscal policy.

There are nevertheless numerous other examples worldwide of first generation regional agreements placed at different levels of the above-mentioned spectrum of economic integration. The European market integration has become a trigger for the creation of similar free trade areas and common markets in the Africa, Asia and the Americas during the 1960s and early 1970s. First generation regional integration is still nowadays a booming phenomenon. At the WTO there are now more than 170 RTAs notified. According to Sampson, 'As of March 2002, a total of 172 RTAs actively in force had been notified to the GATT or the WTO. [...] If RTAs not (or not yet) notified are also taken into account, the total number in force rises to 243' (Sampson, 2003:6). Although a purely economic process, the original intentions behind first generation regional agreements can be political. This is the case with the predecessors of the European Union: the driving force between the idea of linking the economies of France and Germany was security and the prevention of war.

2.2. Second generation: the 'new regionalism'

The development of the political dimension is nevertheless the main characteristic of second generation regional integration, which coincides with what is generally

referred to as ‘new regionalism’: a “multidimensional form of integration which includes economic, political, social and cultural aspects and thus goes far beyond the goal of creating region-based free trade regimes or security alliances. Rather, the political ambition of establishing regional coherence and identity seems to be of primary importance” (Hettne, 1999:xvi). ‘New regionalism’ is based on the idea that one cannot isolate trade and economy from the rest of society: integration can also imply *non-economic matters* such as justice, security, culture. The more economies become integrated, the more there will be a need for common policies on fiscal and social matters as well and political integration.

The emergence of the ‘new regionalism’ needs to be historically related to a series of transformations of the world. Schultz *et al.* (2001) summarize these trends observed by Hettne and Inotai (1994), Fawcett and Hurrell (1995), Gamble and Payne (1996), Hettne, Inotai and Sunkel (1999, 2000), de Melo and Panagaryia (1993), Stallings (1995):

- (1) the move from bipolarity towards a multipolar or perhaps tripolar structure, centred around the EU, NAFTA, and the Asia-Pacific, with a new division of power and new division of labour;
- (2) the relative decline of American hegemony in combination with a more permissive attitude on the part of the United States toward regionalism;
- (3) the restructuring of the nation-state and the growth of interdependence, transnationalization and globalization;
- (4) recurrent fears over the stability of the multilateral trading order, hand in hand with the growing importance of non-tariff barriers (NTBs) to trade;
- (5) the changed attitudes towards (neo-liberal) economic development and political systems in developing countries as well as in the post-communist countries.’ (Schultz *et al.*, 2001b:4)

Telò (2001) calls this ‘*the post-hegemonic regionalism*’ as a component in a new emerging and turbulent world system. The collapse of the communist regimes not only ended the ‘Cold War’ and produced an enormous geographical zone of political uncertainty and instability, it also destroyed the international system that has stabilised international relations since World War II. While until the end of the Cold War regional co-operation was largely a hegemonically imposed phenomenon, it has

gradually became propelled by internal factors. According to Telò (2001), new regionalism can be seen as an attempt by states to react to the complex impact of financial, technological and market globalisation on their traditional territorial state power by strengthening regional control when traditional centralised national sovereignty no longer functioned and to bargain collectively with extra-regional patterns.

Second generation regional integration has therefore several important characteristics: a) deep economic integration plus political elements; b) multi-level governance; c) devolution within states; d) strong international legal framework; e) cooperation along many dimensions. The New Regionalism aims to promote certain “world values” as security, development, ecological sustainability, better than globalism (Hettne, 1999). The European Union is the most developed case of second generation integration as it has managed to develop a model of integration that incorporates political elements in a deep economic integration. This has created a political model that challenges assumptions about governance all over the world.

Nevertheless, second generation regional integration is not an exclusively European phenomenon, and has spread on the other continents through the creation of new organisations or the upgrading of previously existing ones: i.e. ASEAN, MERCOSUR, SADC, ECOWAS. Etc. Of course, European integration cannot be seen as the ‘model’ for the rest of the world. But the underlying idea of *multi-dimensional regional integration* that implies co-operation along a number of different dimensions such as culture, politics, security, economics and diplomacy deserves to be taken serious in all political and economic efforts to achieve stability and prosperity in a given region.

Even though second generation regional integration is still a very limited phenomenon, the contours of a third generation of regional integration are becoming apparent. It recognises that next to economic and internal political integration there is also an integration in external policy possible, and, most of all, the ambition to participate in the global institutions and the promotion of inter-regionalism.

2.3. Third generation regional integration

Third generation regional integration is characterised by world-regions playing a role on the world stage. This implies regions acting (i) within global international regimes and organisations, (ii) towards other regional integration schemes and (iii) towards nations outside it's own geographic area. While in 1° and 2° generation Regional Integration the focal area is primarily the own geographical area, 3° generation integration implies also 'out of area' operations that can span the whole world. Regional integration initiatives seem to fulfil nowadays in global governance at least nine important functions. Building on an initial list drawn by Van Langenhove (2003:4) these functions are:

- I. the strengthening of trade integration in the region;
- II. the creation of an appropriate enabling environment for private sector development;
- III. the development of infrastructure programmes in support of economic growth and regional integration;
- IV. the development of strong public sector institutions and good governance;
- V. the reduction of social exclusion and the development of an inclusive civil society;
- VI. contribution to peace and security in the region;
- VII. the building of environment programmes at the regional level;
- VIII. the strengthening of the region's interaction with other regions of the world;
- IX. the participation of the region in the multilateral system by an increased interaction with the U.N.

Second generation integration or 'new regionalism' has already consequences for the rest of the world, but those consequences are only to a limited extent dealt with at the regional policy level. Third generation regional integration has three main characteristics, which distinguish it from the previous generations. First, in 3° generation integration the institutional environment for dealing with 'out of area' consequences of regional policies is more present. As an example, the European Constitution, which might soon become a reality, will give the European Union a legal personality will hence create the first ever regional organisation that is capable and willing to act as a supranational organisation within the framework of the UN.

Second, in 3° generation integration regions become more proactive engaging in inter-regional arrangements and agreements which can affect more relations at global level. Following a period dominated by the EU in this field, regional organisations from all the continents (i.e. ASEAN, MERCOSUR, SADC) have started to engage in the creation of inter-regional initiatives. Third, in 3° generation regional integration, regions become more actively engaged at the UN.

The characteristics of the third generation regional integration and the distinctions with the previous two generations can be summarised as follows (Table 1):

Table 1. Key characteristics of the three generations of Regional Integration

First Generation Regional Integration	Second Generation Regional Integration	Third Generation Regional Integration
Economic	Economic + internal political integration	Economic+ internal+external political
Inside area + competition with other areas	Inside area + competition with other areas	Inside area + Out of area Competition and Cooperation
Subject to WTO rules	Creation of political institutions	Changing/challenging multilateral institutions
Government/ Elites led process from national level	Governance/ Non-state actors involved at national and regional level	Global Governance/ Rise of transregional and inter-regional actors
U.N. Security Council dominated by states	U.N. Security Council co-operating with regional organizations in security matters	U.N. Security Council institutionalising participation of regions to global security governance
Introverted/Protectionist	Extroverted but still focus on internal integration	Extroverted and focus on external projection of the region and inter-regionalism
Creates large unified economic and monetary zones	Creates a new structure of regional governance	Creates a new world order
Optimalization of economical processes	Optimalization of internal political processes	Optimalization of global processes

The difference between 1°, 2° and 3° generation Regional Integration may seem sometimes nevertheless a thin line, as, following intensive globalisation, even the purely regional internal policies tend to have more and more external repercussions on areas which would have never been affected by them in the past. (i.e. the CAP). Nevertheless, as underlined in Table 1, a major distinction is brought by the fact that, while the previous generations were aiming to achieve the *optimalisation of*

economical processes and of the internal political processes, the third generation regional integration is having a bigger ambition: achieving the optimalization of external political processes and of the global processes of governance.

3. Regions in the U.N.

The U.N. is a global organization with sovereign states as members. As such, it tries to be an agent of conflict resolution as well as an agency providing global public goods and promoting universal human rights. Right from its origins, the U.N. has struggled with the question of what place supranational regional organizations should and could take in achieving the U.N. goals. On the one hand of the extreme is the position that regionalism blocks the necessary global and universal approach needed to solve the global problems of today. At the other end there is the position that regionalism can serve the overall U.N. goals. This is not only a philosophical question, it is also about power of institutions: are regional organizations weakening the U.N. or can they be considered as allies of the U.N. in dealing with supranational problems? In other words: what are the implications of 3^o generation regional integration upon multilateralism?

Regions play a role within the U.N. system at different levels. First, there are the regional groupings and caucus that function within the U. N. Secondly, there are the economic regional sub-structures set up by the U. N. Thirdly, there are the non U.N. regional organisations that have obtained observer status within the U. N. And, finally, there is the regional dimension of the Security Council, a dimension not to be neglected and which has to be related to the others mentioned expressions of regionalism in the U.N. All these structures witness that a regional philosophy is not at all incompatible with the U.N. goals. Rather, such regional groups or organs are required in order to ensure an efficient functioning of the organisation, the global management of problems being constantly challenged by the trade-off between size of the organization and the efficiency of actions at local level.

Regional integration does not challenge the fact that multilateralism has to be the main organizing principle of the world order. As underlined by Van Langenhove (2003), regionalism does not necessarily contradict the universalistic position of the

United Nations. It may rather be considered as ‘an attempt to “channel” globalization at an optimal policy level’. Regionalism can play a major role in providing the necessary legitimacy for multilateralism, as it is ‘a mechanism that (i) allows small countries to have a voice next to large countries and (ii) allows poor countries to integrate more easily in the world economy. Also, regionalism can be a way of harnessing the larger countries (superpowers) to recognize their responsibility in playing a constructive role in their region’ (Van Langenhove, 2003:4).

A formal co-operation between the regional integration organisations and the global organisation has gradually taken shape during the last decade in the field of peace and security, which are the primary goals of the U.N. Within the Westphalian world-order external security is seen as a prime responsibility of the individual sovereign nations, which can nevertheless work together and construct ‘security mechanisms’ to avoid warfare. Such mechanism can be regional (continental) or global. In the 19th century there have been regional security arrangements in Europe and America (the ‘Concert of Europe’ and the ‘Monroe doctrine’). Global security mechanism did not exist yet at that stage. Only in the 20th century there emerged attempts to create a global collective security mechanism with the League of Nations and the U.N. Ever since there have been questions about the relationship between the global and the regional approach to security. Within countries the compromise between the two has found its expression in various models of federalism. At the international level and in the context of security, the old dilemma translates into debates about the role of the U.N. Security Council and of regional defence and security mechanism.

During the 20th century a structural relationship between the Security Council and regional organisations has gradually been created. Graham and Felicio (2004, forthcoming) distinguish three main periods in the construction of the ‘regional-global security mechanism’ in the multilateral era: *the constitutional phase*; *the institutional phase*, and *the co-operation phase*. In the constitutional phase (1919-1945) the relationship between universalism and regionalism in the security field has slowly started to take shape, stemming, first, from the discussions over the international role of the League of Nations and, later on, of the U.N. At the end of World War II, the universalist position triumphed over the regionalist one between the drafters of the U.N. Charter. Although reflecting the ‘mild discouragement’ of security regionalism,

the finalised Charter highlights in its Chapter VIII several principles, or 'constitutional' backbones of the 'regional-global security mechanism' in the following half-century:

- i. 'the primary responsibility for international peace and security should be that of the Security Council;
- ii. regional security arrangements can act as a support to the primary role exercised by the Security Council;
- iii. the distinction made between pacific settlement and enforcement actions regional agencies are encouraged to act for the pacific settlement of local disputes before referring them to the Security Council;
- iv. the clearly defined global-regional relationship in the field of enforcement: regional agencies can perform enforcement actions only following the Security Council authorisation' (Graham and Felicio, 2004, forthcoming).

The basic principles established by the Chapter VIII of the U.N. Charter at the inception of the global organisation created therefore an abstract mechanism for a regional-global co-operation framework in the field of security as, at that time, the U.N. was only in the inception phase, and there were few regional organisations world-wide. The institutional (or institutional building) phase, coinciding with the Cold War period (1946-1992), was characterised by the increase in the regional organizations world-wide developed their own security agencies or expanded their activities from economic policies to security, according to the needs of their specific region, in a move which was not necessarily connected to the U.N. provisions. The shift towards 'new regionalism' although period of hegemony of the superpowers, with the efficiency of the Security Council was strongly affected by the East-West conflict.

In the aftermath of the Cold War, the security agenda has shifted from the bipolar confrontation to the spread of regional and local "low intensity conflicts", with a change in the content of security threats no longer linked only to the military conflicts but also to political, economical, social, environmental concerns, coined in new concepts such as "societal security" and "human security". These changes required a considerable increase in the U.N. peace keeping and peace enforcement operations in the 1990s and, in spite of the co-operation between the major powers in the U.N.

Security Council, most of the conflicts proved intractable and lead to disillusionment. The Council realised that it was no longer able to handle the vast number of new conflicts – mostly intra and not inter state – as well as the new forms of security threats, and acknowledged the importance of greater involvement of the regional agencies in a co-operative relationship with the U.N. This marked the beginning of the third phase in the evolution of the ‘regional-global security mechanism’; the development of a formal cooperation phase (1992-2004).

In the period 1993-2003, a formal cooperation between these organizations and the U.N. has started developing, based on an invitation made in January 1993 by the Security Council to regional organisations and arrangements to study ways to strengthen their functions in peace and security and to improve co-ordination with the U.N. This move was strongly supported by the Secretary-General, who established as a goal the development of a ‘set of guidelines’ in this field, and by the General Assembly. The Secretary-General has convened five ‘high-level meetings’ with the regional organizations involved in security matters, during which ‘framework for co-operation’ between the U.N. and regional agencies has been developed, involving to date ‘modalities for conflict prevention’ and ‘principles for peace-building’. As underlined by Graham and Felicio (2004, forthcoming), this normative framework for co-operation framework is based on nine principles: ‘1. A *flexible and pragmatic approach*’ to regional crises, with no ‘universal model’; 2. *U.N. primacy* in all crises; 3. A clear *division of labor* between the UN and regional agencies; 4. *Regular consultations* between the UN and regional agencies; 5. *Mutual support* in diplomatic and operational activities; 6. *Joint operational deployment* where appropriate; 7. *Regional impartiality* in handling conflicts; 8. Common **conflict prevention modalities**; 9. Common **peace-building principles**’.

At the open meeting between the Security Council and regional organisations (April 2003) on the new challenges to international peace and security, the Secretary-General underlined the fact that the world was ‘at a crucial juncture in the development of the international relations system’ and the need ‘to move towards creating a network of effective and mutually reinforcing mechanisms – regional and global – that are flexible and responsive to the reality we live today’. At the last High Level meeting between the U.N. and regional organisations Secretary General Kofi

Annan expressed his hope that the U.N. and regional organisations would be able to contribute together to a new vision of global security. The second open meeting between the Security Council and regional organisations, which has taken place under the Romanian presidency, on 20th of July 2004, aimed to identify new methods of co-operation in conflict resolution and stabilisation processes. The reunion was attended by U.N. Secretary General Kofi Annan, as well as by nine regional organizations, from Europe, Africa and the Asian continent (NATO, EU, ECOWAS, OSCE, CIS, OIC, ASEAN, African Union, and the League of Arab States). The main conclusion of the Presidential Statement adopted by the Security Council at this occasion underlined that: ‘The Security Council invites regional organizations to take necessary steps to increase collaboration with the United Nations in order to maximize efficiency in stabilization processes and also encourages enhanced cooperation and coordination among regional and subregional organizations themselves, in particular through exchange of information and sharing experience and best practices’¹. The conclusions of the debate have been transmitted to the High level Expert Group appointed by the Secretary General, which has the mandate to draw up a consolidated study of the U.N. reform.

The dialogue between the U.N. and regional organizations is on-going as there are still need to settle down some important aspects regarding the division of labor. The challenge is what kind of U.N. the world needs in order to realise a stable ‘world order’ that: i) maximises the chances to achieve the Millenium Development Goals; and ii) minimises threats of local and global conflicts and terrorism. It is in this context that the U.N. needs to question what should be tackled at the global level and what should be left to other actors such as nations but also regional organisations.

4. Towards a multiregionalism world order?

At the beginning of the XXIst century, we are currently witnessing a transition from the classical Westphalian world order to a world order where world-regions – next to

¹ United Nations Security Council, *Statement by the President of the Security Council*, 20 July 2004, S/PRST/2004/27

states – play a central role and where processes of regional integration shape international relations. We are not nevertheless entering a post-Westphalian world-order in which nations are disappearing or becoming irrelevant. On the contrary, nation-states remain important for identity and local governance. On top of this, there are many more states nowadays than at the beginning of the XXth century. But the Westphalian world-order is currently being transformed from a Newtonian model (where states as homogenous actors move in the international relations field much like billiard balls do on a pool table) to a more complex system where no necessarily act homogenous, where there are other actors, and where complex interdependencies shape the world, rather than simple linear causality models. We propose to call this new model the ‘regional world-order’. It is a neo-Westphalian world-order as it still builds upon nations but complements it with a growing role for regions as geo-political entities with Westphalian statehood properties too.

Multilateralism, one of the founding principles of the U.N. is not working properly. With the end of the Cold War, the functioning of the U.N. and especially of its Security Council became challenged by the prospect of making decisions in a less stable world order. Since 9/11 the world became dominated by one nation that uses its military and economic supremacy to impose its unilateral views and block U.N. based multilateral approaches to tackling global problems. As put by Hettne and Söderbaum (2004), we now live in a period a period of ‘frustrated multilateralism’, with an open competition between two models of global governance: the US-led ‘unipolar movement’ versus the ‘regionalist movement’ led by the EU. Both within the U.N. and in many nations this situation has reinforced pleas for a rethinking of multilateralism and a reform of the U.N. In September 2003, the U.N. Secretary-General addressed the General Assembly and dramatically stated that “*we have come to a fork in the road. This may be a moment no less decisive than 1945 itself, when the U.N. was founded*”.²

Today, in the fall of 2004, a number of conditions are met that together create a unique window of opportunities that allows to take the turn in the fork of the road that leads to a new efficient and effective multilateralism. First, there are the Presidential

² UN Press Release, SG/SM/8891,GA/10157, New York, September 23rd, 2003.

elections in the USA in November 2004 that give the prospect of a possibly new policy of the US towards multilateralism and the U.N. Second, there is the prospect of the ratification of the European Constitution that will give the European Union a legal personality and will hence create the first ever regional organisation that is capable and willing to act as a supranational organisation within the framework of the U.N. Thirdly, within the Security Council the debate led by Romania has reactivated a dialogue which has the potential to be brought forwards by the future Presidencies. Fourthly, in December 2004 the High-Level Panel on the U.N. Reform will present its report to the Secretary-General.

The growing awareness of the threats of the current failing of multilateralism together with the above-mentioned opportunities have created the political possibility of change. Such change needs to be fuelled by ideas. In recent decades many ideas have been formulated both within the U.N. and in academic and policy circles. While progress has been made in areas such as peacekeeping reform (following the Brahimi Report of 2000) and while internal reforms have already resulted in rationalising the U.N. structures, the real problem is the institutional reform, especially of the composition and functioning of the Security Council. The blocking of institutional reform is locked into the very functioning of the Security Council: membership reflects the results of a war now more than sixty years ago, and it does not reflect the key issue that members of the U.N. are not equal in terms of population, size or GDP. The implicit one-country-one-vote principle in the General Assembly does not reflect the differences in power and representation of people that occur. Neither does the principle of sovereignty reflect the current evolution of increasing integration and cooperation between some countries.

The key issue in any institutional reform aimed at reinforcing multilateralism is that it has to find a way to create a balance of power between the U.N. members, a balance of responsibilities and a balanced representation of the people of our planet. Such a complex set of balances cannot be found if reform propositions continue to base themselves upon nations as the sole building blocks of multilateralism. In order to profit from the current window of opportunities, a radical rethinking is needed that recognises that, next to nations, world-regions based upon integration processes between nations have to play a role in establishing an effective multilateralism.

So it might well be that the future of multilateralism is the creation of a world-order based upon what Hettne defined as *multiregionalism*. Hettne distinguishes three levels of ‘interregionness’, among which ‘multiregionalism’ is the highest:

Transregionalism, refers in a general way to relations between regions, and these relations may differ in terms of comprehensiveness. By the concept of transregionalism I also, however, refer to less institutionalized forms of relations between regions, or countries within different regions. As formal macro-regions assuming a stronger political role emerge, there will necessarily also arise a need for more organized contacts between the regions as subjective actors. *Interregionalism* is thus a more institutionalised and formal relationship, already possible to identify in the empirical world in a few cases. This is the most significant arrangement as it may have long-term consequences for the structure of the world order.

Multiregionalism, is still a rather speculative idea, a form of regionalized world-order, which may or may not become real. It is the end-point of the process. [...]Multilateral regionalism or multiregionalism would imply schematic relations between all regional organizations, making up a form of global governance, a “European world order”. (Hettne, 2003:7-8).

As indicated before, third generation regional integration and the emerging multiregionalism have the potential to provide a new legitimacy to multilateralism. But there needs to be a global forum based upon international law that allows world regions to interact with each other and settle their disputes. The U.N. could become such a forum of dialogue between regions. Here are five key elements of how such a U.N. based multiregionalism could look like:

1. *It needs to be based upon a renewed adherence to the principle that the U.N. has the prime responsibility for the maintenance of peace and security, while in line with chapter VIII of the Charter, the development of new roles and responsibilities for regional arrangements or agencies;*
2. *The Security Council needs to become a hybrid forum composed out of nations that can be considered to be global actors together with regional organisations that group the other nations into global actors;*
3. *The U.N. needs to accept regional organisations as full members that can act next to nations in all the UN agencies and needs to rethink its own regional structure (the five regional economic commissions) so that they function together with key existing regional regimes;*

4. *The U.N needs to actively support regional integration amongst its member as a tool for economic development by creating regional structural development funds and regional development assistance mechanisms;*
5. *The current The current scarcity of resources for U.N. peacekeeping activities needs to be remedied by establishing regional-global security mechanisms where not only nations, but also regional organisations take their share of the burden.*

Realising a multiregional world order is not utopian, it is a realistic programme as it starts from today's reality that is that next to nations, regions are becoming increasingly important tools of governance. But in order to become politically feasible, it needs to be supported and promoted by civil society. As long as this is not the case, old habits and organisational structures will not change and the world will not become a more secure place to live in.

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