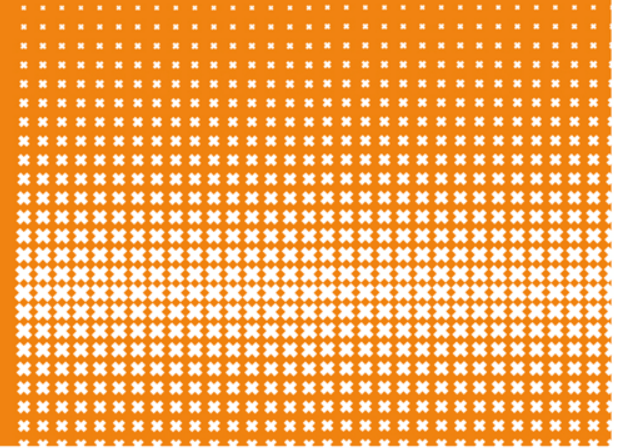




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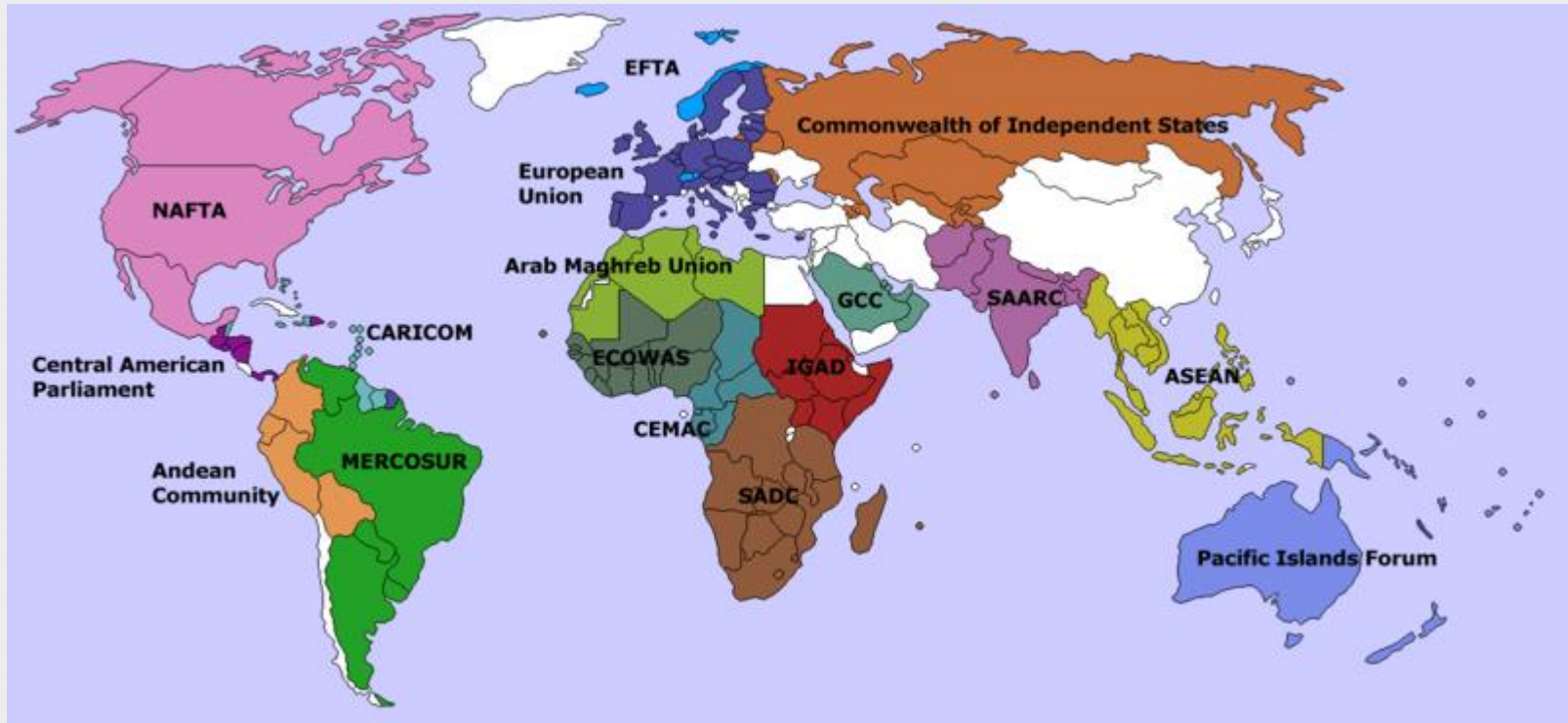
# Regionalisation in a Comparative Perspective

Introduction: The New Regionalism

# Introduction

- The end of the Cold War terminated the bipolar order, which structured the international system from 1945 until 1990.
- Globalisation became a new challenge for the competitiveness of national economies.
- Consequently, the 1990s saw a rise of regional organisations all around the world: the so-called 'New Regionalism'.

# Introduction



# The Old Regionalism

- The 'Old Regionalism' of the 1950 to 1970s was generally protectionist in nature and established high tariff-walls to the outside world.
- In Europe, this phenomenon finds its expression in the term 'Fortress of Europe' and became most visible in the agricultural sector.
- In developing regions, the 'Old Regionalism' was part of import-substituting development strategies, which widely failed to reach their goals.

# The New Regionalism (I)

- The ‘New Regionalism’ of the 1990s – also called ‘Open Regionalism’ – is less protectionist and more outward oriented.
- In developing regions, the ‘New Regionalism’ went hand in hand with a turn towards export-promoting development strategies.
- Size and stability effects of regional integration help developing regions to attract investments and to negotiate global or interregional trade agreements.

## The New Regionalism (II)

- Regional trade agreements always have trade creation and trade diversion effects on international trade of the member states.
- Economists argue that regional integration is welfare increasing as long as trade creation effects exceed trade diversion effects.
- Due to its openness, the 'New Regionalism' is likely to create trade and to be more a stepping-stone than a stumbling block for international free trade.

# The Diffusion of the European Model (I)

- Due to its long integration history, its progress of integration and its economic success, the EU serves as a role model for regional integration in other world regions.
- Many other regional organisations, deliberately or not, copied institutional features of the EU.
- The ‘New Regionalism’ can thus be understood as a diffusion of European integration idea to other world regions.

## The Diffusion of the European Model (II)

- However, some regions reject the European way of integration deliberately, e.g. because their member states do not want to give up that much sovereignty.
- Besides, different cultural, economic and political background conditions prevent that regional integration in other world regions follows one-to-one the European example.
- Thus, the diffusion of the European integration model also has its limits.



# The Question of Comparability (I)

- Despite serving as a role model, the degree of European integration is so far unmatched by any other world region.
- Especially the strength and independence of the EU's supranational institutions is unique and institutions in other regions are much weaker.
- There are scholars who argue that regional organisations around the world are so different, that they cannot be compared at all in a meaningful way.

## The Question of Comparability (II)

- The claim that regional organisations cannot be compared is intellectually unsatisfactory.
- Comparisons do not imply that all characteristics of the compared entities are equal, but that the entities are set in relation to each other.
- Social scientists need to compare, and they need variance at the observed variables in order to find meaningful patterns.

## The Question of Comparability (III)

- Comparative regionalism nevertheless faces the problem that a small number of cases exist in order to test a high number of competing hypotheses.
- Most comparative studies of regional integration will be qualitative in nature and quantitative analyses are rare.
- Qualitative studies need to be careful in their case selection and they need to employ qualitative research methods like process tracing.

# Conclusion

- The 'New Regionalism' of the 1990s has been a global phenomenon.
- The new regional organisations are generally more open and less protectionists.
- The EU serves as a role model for regional integration around the world.
- Comparisons of regional organisations are a difficult, but necessary endeavour.