This paper explores the usefulness of regional cooperation in addressing regional and global challenges, with a focus on global public goods for trade, knowledge, peace and security, financial stability, global commons and communicable disease control. It develops a four-step framework, which seeks, first, to acknowledge that regionalism has become increasingly complex and heterogeneous in the context of globalization; second, to distinguish between different types of regional cooperation mechanisms; third, to show that effectiveness and sustainability of regional cooperation are contextually specific, but also dependent on institutions; and, fourth, to pinpoint the specific regional and global goods that regional cooperation is to supply. Applying the framework to these global public goods shows that a coherent way of dealing with them could constitute a global public policy, that they are interlinked and mutually supportive, that the contributions from regional cooperation are essential, that the underlying institutional structure for regionalism is uneven and underdeveloped and that providing global public goods requires specific policy measures. Global, regional and national levels should exploit the specific comparative advantages of regional cooperation for each global public good.

The purpose of this paper is to analyse, in concrete and policy-relevant terms, the usefulness of regional cooperation for the provision of the global public good (GPG) area identified as priority by the International Task Force on Global Public Goods (hereafter referred to as the Task Force). These include:

- Promoting the gains from trade.
- Promoting the gains from knowledge.
Preserving peace and security.
Ensuring financial stability.
Preventing adverse environmental spillovers (protecting the global commons).
Halting the spread of communicable diseases.

These constitute a framework for a global welfare policy. They are linked in many ways, which must be identified to increase the coherence of a global policy that promote public goods.

The concept of public goods comes from economic theory, traditionally referring to the national economic system, where public goods constitute the essence of nation building by providing incentives for citizenship and the basis for the political legitimacy of the state, particularly the modern welfare state. The current interest in international public goods—regional and global—is a consequence of globalization eroding national sovereignty, territoriality and authority. It raises the difficult question of how public goods can be identified, financed, produced and distributed at regional and global levels, where they are badly undersupplied. Thus the discussion on public goods has moved from the national economy to a transnational world, which is partly why it has become so complex.

The distinction between global public goods and regional public goods is not very sharp, but it is clear that some transnational problems emerge in specific regions or are best managed through regional cooperation. It is growing as a way of dealing with transnational challenges. Regional cooperation is becoming more common, as are the number of diverse institutional arrangements, including comprehensive regional organizations, sectoral regional organizations, regional networks and partnerships and so on. One reason for focusing on regional cooperation is the lack of politically grounded problem-solving at the global level. Despite a more institutionalized global level, many new challenges are neglected, which has resulted in regional cooperation becoming an important tool for addressing both regional and global challenges. This analysis aims to put this trend into context, bring some order to the plethora of regional organizations and assess their effectiveness in dealing with regional and global challenges.

This paper is divided into three parts. First, it develops and defines a framework. Second, it applies the framework to the provision of GPGs for trade, knowledge, peace and security, financial stability, global commons and communicable diseases. Third, it makes policy recommendations for a regional approach to transnational problem-solving.
Building the framework

The framework is built in four steps. First, it is argued that the phenomenon of regionalism has become increasingly complex in the context of globalization. There is a need to distinguish the conventional, state-led forms of intergovernmental regional cooperation from the recent, more heterogeneous patterns of new regionalism. Second, this paper develops a typology of regional cooperation based on an extensive inventory. Third, it discusses the conditions for the effectiveness of regional cooperation. Fourth, it differentiates regional public goods from global and national public goods.

The point of departure lies in the diverse forms of regional cooperation that have developed due to the new wave of regionalism. Since the mid-1980s new regionalism has changed the structure and content of regional cooperation, making it more complex and varied. Achieving public goods is not only an economic problem, but also a political problem. A broader political economy approach drawing from social science is needed. This is also necessary in view of the extremely varying kinds of public goods selected for this paper. In fact both the public goods quality and the meaning of “regional” differ from one case to another. Trade obviously draws more on economics than does security, which is a key focus in political science and international relations. Health is largely outside social science. However the ambition here is to be interdisciplinary as well as sensitive to contextual specificities.

The regional dimension implies that the problem, whether civil war or contagious disease, can be distinctively regional and, if managed successfully, transformed into a regional public good such as a regional security community or a health control system. To the extent that the problem is exclusively regional, the region is defined by the problem at hand. For example, a river system covering several countries can be both a threat in the form of flooding and a possible benefit in the form of energy and irrigation. But there is not necessarily a coincidence between the range of the regional problem and the regional cooperation mechanism supposed to manage the problem. As Arce and Sandler (2000, p. 13) elegantly state about regional public goods, there is often a “failure to match … spillover range with a political jurisdiction”.
From old regionalism to new regionalism

It has become somewhat ambiguous as to what a specifically regional problem is and why and when regional cooperation emerges in addressing global problems. This is due to regional cooperation in a context of global transformation, in which the processes of regionalization and globalization are intimately intertwined (Hettne, Inotai and Sunkel various years; Schulz, Söderbaum and Öjendal 2001). Any assessment of regional cooperation depends on the perspective on global transformation.

It is conventional to divide the literature on globalization into three categories: the hyperglobalizers, the sceptics and the transformationalists (see Held and others 1999). Hyperglobalizers believe that people live in a global economy, which the sceptics reject as a myth. The difference is similar to that between laissez-faire and interventionism. Transformationalists believe that all states and societies are going through a profound transformation as they adapt to a globalizing world. The distinction between laissez-faire and interventionism becomes less obvious. This is also the perspective built on in this paper—the transition from a Westphalian or state-centred world order to a post-Westphalian or post-sovereign world order—making the issue of public goods provision dynamic. Stiglitz (2001, p. xi) underlines how “economic policies contribute to a breakdown in long-standing social relations”, an outcome with adverse economic effects. To restore a balance between the economy and the society is the task of public policy. It is in this perspective that the growing concern for international public goods, regional and global, is understood.¹

Because of its close relationship with globalization, contemporary regionalism is fundamentally different from the regional cooperation and integration that emerged after the Second World War, which in turn affects how regional cooperation can and should be used to deal with current regional and global challenges. It is therefore necessary to distinguish old, state-centred unidimensional regionalism from the new, multidimensional regionalism (see table 5.1).

Classical regional integration theories from the 1950s and 1960s dealt primarily with European integration. Regional cooperation was dominated by governments and influenced by national interests. The historical context was the bipolar world order, which imposed a cold war logic on regionalization (hegemonic regionalism), not only in Europe but also in other areas where regional integration experiments
were initiated. The idea of spillover, heavily emphasized by the neofunctionalists, is perhaps more relevant today. It is important to consider the impact of regional cooperation from one issue to another. However it is necessary to understand the differences between previous regionalism and the contemporary phenomenon.

Since the late 1980s there has been an explosion of various forms of regionalism and regionalist projects all over the world. The development of the European Union is perhaps the most debated example of this trend. Many other regionalization processes can be observed in other parts of the world, made visible through the (re)emergence, revitalization or expansion of regional projects and organizations such as the Association of Southeast Asian Nations (ASEAN), Economic Commission of West African States (ECOWAS), Southern Common Market (Mercosur), North American Free Trade Agreement (NAFTA), Southern African Development Community (SADC), South Asian Association for Regional Cooperation (SAARC) and the like.

It is essential to recognize that this renewed and worldwide trend of regionalism is not confined simply to formal interstate regional organizations and frameworks (Hettne, Inotai and Sunkel various years; Schulz, Söderbaum and Öjendal 1999; Söderbaum and Shaw 2003). On the contrary, the new regionalism is characterized by its multidimensionality and complexity. It involves a rich variety of state and non-state actors, which often come together in informal networks and multi-actor coalitions operating at different levels of the world system.

New regionalism is part of a global transformation creating a complex, multilevel system of governance, with vertical and horizontal interaction. With intense relationships between globalization and regionalization—

<table>
<thead>
<tr>
<th>Old regionalism</th>
<th>New regionalism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Influenced by cold war logic, often imposed from the outside by the superpowers</td>
<td>Influenced by post–cold war logic, developing from within the regions</td>
</tr>
<tr>
<td>Introverted and protectionist</td>
<td>Extroverted, linked with globalization</td>
</tr>
<tr>
<td>Specific and narrow objectives (mainly trade or security)</td>
<td>Comprehensive and multidimensional objectives (economics, politics, security, culture)</td>
</tr>
<tr>
<td>Exclusive in terms of membership</td>
<td>Inclusive and open membership</td>
</tr>
<tr>
<td>European phenomenon, modelled on the European communities</td>
<td>Worldwide and heterogeneous phenomenon</td>
</tr>
<tr>
<td>State-centred and state-dominated, especially within intergovernmental regional organizations</td>
<td>Involves state, market and civil society actors in many institutional forms</td>
</tr>
</tbody>
</table>
one of the core characteristics of new regionalism—the solution is not a return to a simplistic past where there is supposed to be an easy choice between either global or regional projects. Although it may still be possible to set one against the other, it is too simple to argue that global and regional cooperation mechanisms are competing (realism) or mutually reinforcing (liberalism). There is a more complex multilevel relationship, and this analysis of public goods will reveal how this plays out.

A typology of regional cooperation mechanisms

An important difference between old and new regionalism, with deep implications for this paper, is the unidimensionality of the old and the multidimensionality of the new, resulting in a greater variety of state-led regional arrangements and non-state or hybrid regional arrangements, networks and governance mechanisms.²

This pluralism makes it difficult to categorize regional cooperation arrangements. Global organizations can be categorized as operational agencies (United Nations Development Programme), service providers (World Intellectual Property Organization) or organizations that set international norms and standards and are usually the main arenas for multilateral negotiations (United Nations) (Kaul and Le Goulven 2003). But these distinctions are less obvious among regional organizations, which often show all three characteristics simultaneously. In fact such a combination is often optimal. Although it is fruitful to differentiate between functions, it is important to look elsewhere for categorizing regional cooperation mechanisms.

Perhaps the most fundamental characteristics of regional cooperation mechanisms are captured by two other distinctions: whether it is unidimensional or multidimensional and whether the venture is an organization or a more loosely structured network (see table 5.2). The unidimensional or multidimensional distinction refers to the aims and activities of the regional cooperation mechanism. Unidimensional implies a focus on a specified activity within a given sector, such as trade or transport, or on a particular task, such as financing development projects. A multidimensional regional cooperation mechanism has a wide range of purposes and activities spanning at least two sectors. It owns its decision-making process and can create operational procedures to deal with specific issues.

An organization is commonly defined as involving: membership—a formal, permanent structure—and specified aims, functions and activities (Archer 1992). A formal and permanent bureaucratic structure,
autonomous and separate from the control of a single member, differentiates most organizations from more loosely structured networks. There are varieties of networks, but many are open, extroverted and inclusive, capable of expanding without (formal) limitations and interacting with new nodes and other networks. Networks are typically decentralized, to a large extent horizontally structured and more cooperative (even egalitarian), as opposed to the hierarchy in organizations. Some networks are not concerned with policy formulation and project implementation, but are focused on increasing communication and interaction or encouraging cooperation.

Networks can emerge within organizations, thus creating hybrid network organizations. Networks and organizations can overlap; a network can be an organization, and an organization is sometimes a network.

**Unidimensional organizations**

Unidimensional organizations comprise thousands of regional cooperation mechanisms around the world. Most common are functional and sectoral regional organizations, operating in most fields of activity—health, transport, research, education, communications and so on. Examples include the West African Health Organization, Caribbean Environmental Health Institute and Southern African Centre for Cooperation in Agricultural Research.

Security organizations and alliances specialize in security and conflict intervention. They range from organized defence pacts, such as the West European Union, to comprehensive security organizations with military forces, such as the North Atlantic Treaty Organization (NATO). They often develop out of broad-based multidimensional organizations, as in the SADC Organ on Politics, Defense and Security Cooperation or the ECOWAS Monitoring Group. NATO, on the other hand, is becoming a military and political organization.
Regional economic integration arrangements can be of any type of economic integration, ranging from free trade areas to common markets to customs, economic or monetary unions. They often start out as (preferential) trading arrangements. More or less every country in the world is party to at least one such arrangement—an example of the overlap, duplication and lack of implementation of many schemes. Trading agreements may only require a minimal organizational structure, such as NAFTA or the European Free Trade Association (EFTA). But the deeper and more sophisticated they are, the more political and multidimensional they tend to become—the European Union, for example.

Regional development banks, such as the Inter-American Development Bank, Asian Development Bank and African Development Bank, facilitate regional cooperation in many parts of the world. Their mission, however, is to finance and mobilize resources for development projects, which implies that they can be seen as unidimensional organizations. Many regional development banks focus on national projects that concern only a few member states, making the banks poor players of sustaining regional cooperation. In addition, their “regionality” is ambiguous due to their external non-regional membership or ownership, suggesting that they prefer to be understood as multilateral development banks operating in a regional context (Mistry 1995).

**Multidimensional organizations**

Multidimensional organizations are important for regional cooperation throughout the world. Although prevalent during the old regionalism, they are more widespread now. Some of the most well known examples are the European Union, African Union, ASEAN, ECOWAS, SAARC and SADC. Characterized by their multidimensionality and centralized, comprehensive organizational structure, these organizations explore the various issues and spillover effects between such areas as security, economics, politics and culture. They are often political, intertwined with economic or security interests. The number of members varies depending on the size of the region and scope of the organization. Over time these organizations develop a unique competence in assessing issues in a transnational context and in effect constitute regional governance, possibly leading to conflicts between intergovernmental and supranational interests, such as in the European Union.

River basin organizations, such as the Mekong River Commission and the Zambezi River Basin Commission, vary in structure. Several
started out with a specialized focus, but became multidimensional to cooperate in all areas related to the river basin, such as navigation, flood control, fisheries, agriculture, hydro-power and environmental protection. There are two interesting features of these organizations. First, they tend to become more organized and institutionalized, transforming from loose committees and agreements to more centralized organizations. Second, they tend to go from focusing on states to including a host of non-state actors and stakeholders, such as donors, local communities and non-governmental organizations, which resembles a network structure.

The UN regional economic commissions—the Economic Commission for Latin America and the Caribbean, the Economic and Social Commission for Asia and the Pacific and the Economic Commission for Africa—aim to promote and facilitate concerted action for the economic and social development of the continents or countries they operate in. They act within the UN framework and are subject to the general supervision of the Economic and Social Council. They are advisory and servicing bodies that support and sponsor national, regional and international projects and programmes. Many of their activities are coordinated with donors, national authorities and other regional organizations, helping to promote regional cooperation around the world.

Unidimensional networks

Many networks operate within a specific sector or to fulfil a particular task such as research or training. Examples include regional research networks and regional power grids such as the Nordic Energy Pool and the Southern African Power Pool, which comprises national power authorities and private energy operators. Other examples include civil society networks and organizations such as the Hemispheric Social Alliance in the Americas, the Social Justice Network in Mercosur, the West African Network for Peace and so on. Some may become multidimensional while taking on qualities of an organization.

Public-private partnerships are a particular type of network. Partnerships between public and private actors are often formed for specific purposes such as building a road or a port. The main role of public actors, often central or regional government, is to provide the legal backup, whereas private actors carry out tasks and manage programmes. The involved actors meet in various committees in the network, which are often temporary, designed to dissolve once the task is achieved. Public-private partnerships have quickly become important for the provi-
sion of certain public goods, such as infrastructure. They are likely to continue to increase in importance and become ever more regional.

**Multidimensional networks**

Networks tend to be unidimensional, requiring less organization. But there are exceptions, often related to different kinds of microregions. For example, the Oresund Network AB is owned by central governments and provincial and local political bodies in Denmark and Sweden, with more than 200 companies, organizations, public authorities and institutions as members. Its aim is to market the Oresund Region, locally, nationally and internationally and to collaborate with other private and public players in the microregion. It is a network organization that coordinates information about investments, company establishments, public sector works or activities.

Growth triangles are another prolific example of multidimensional networks. They use endowments of countries, exploiting cooperative trade and development opportunities. The Southern Growth Triangle, also known as SIJORI (Singapore, the Johore state of Malaysia and Riau Province of Indonesia), was formed in 1989 and covers a population of some 6 million people. Singapore has focused on becoming the technology centre, sending labour-intensive operations to low-cost Malaysia and Indonesia. The private sector provides capital for investment. The public sector provides infrastructure, fiscal incentives and the administrative framework to attract industry. Growth triangles continue to drive growth in Asian economies.

The spatial development initiatives and development corridors in southern Africa are short-term targeted attempts to stimulate economic growth by creating globally competitive spatial entities through new investment, infrastructural development and job creation. They reject full-fledged regional organizations and are designed to bring together experts and policy-makers in small, introverted policy networks with few links to people and stakeholders on the “outside” (Söderbaum and Taylor 2003).

An inventory of regional cooperation mechanisms tells us nothing about their relevance in producing international public goods. Regional cooperation should meet the same criteria as other international public goods—net global benefits, net national benefits and net poverty benefits (ITFGPG 2004). Obviously net global benefits are needed for an action plan for international public goods. But in the case of regional
cooperation there must also be net regional benefits. And there must be enough net national benefits to guarantee financing and avoid free-riding, but states are not the only actors. Non-state actors are becoming more involved in the provision of regional and global public goods and are not necessarily influenced by national interests. Most important are net poverty benefits, which are derived from the normative strand in the public goods tradition, stressing justice, fairness and a productive relationship between developing and developed countries. It should be stressed that net poverty benefits seem to be particularly relevant for civil society actors. And net poverty benefits may not be compatible with the net national benefits. Even if these criteria for provision are fulfilled, the question of effective implementation—the production process—in the regional context remains.

The effectiveness of regional cooperation

This paper’s framework emphasizes institutionalization because the regional level is less institutionalized than the national and the global levels, where many organizations and institutions operate. But these institutions are ineffective in dealing with many current global and regional challenges. In fact many new challenges are neglected at the global level, whereas the seriousness of certain problems, such as political disintegration or epidemics, are harder to disregard on the regional level since many regional actors are immediately affected. This push effect is often described in terms of “discrepancies between the global nature of a growing number of policy issues and the fractured nature of public policy-making along country, sector, actor and other conventional dividing lines” (Kaul and Le Goulven 2003, p. 378). The degree and quality of institutional reform is thus a key factor in explaining the effectiveness and relevance of regional cooperation.

To determine the effectiveness of a given regional cooperation scheme is certainly not unproblematic. The European Union is the best example of this. There is little doubt that it is the most discussed and analysed regional cooperation and integration mechanism in the world. However there is little consensus on its effectiveness in addressing transnational challenges. And if it is effective, it is as difficult to agree on what makes it so. Thus, although the European Union is often referred to as a model of regional cooperation, its content and effectiveness remain deeply contested. This is only natural. The European Union is a political project, and any claim of effectiveness depends on theoretical
assumptions. It is worthwhile to distinguish between the effectiveness of organizations, carrying out a mandated task, and the “actorness” of organizations, developing a larger scope of action and room for manoeuvre, in some cases even a legal personality.4

Furthermore, any assessment of effectiveness must be contextually specific, and as a consequence the issue of effectiveness will ultimately need to be addressed through empirical analysis. Even if a particular type of regional cooperation mechanism is considered effective in one context, it is not necessarily so in another. Similarly, a particular institution may seem premature but still highly relevant when its time comes—the European Union, for example.

Misplaced and false generalizations are undoubtedly a problem in the study of regional cooperation. Again, consider Europe. The study of regionalism, especially old regionalism, has always been dominated by an empirical focus on Europe, which has led to false generalizations. Breslin and Higgott (2000) point out that the appropriate comparison of regional projects is at similar stages of evolution.

This broad, interdisciplinary framework begs consideration of different dimensions of institutionalization processes, and it allows the generalization that most approaches, however different, emphasize “durable and routinized patterns of behaviour” (Hodgson 1988, p. 10). Institutions imply socialized expectations and predictability.5 Both shallow and narrow definitions of institutions have a role to play. Even single-purpose organizations and networks, such as regional development banks, can facilitate regional cooperation by enhancing member countries’ sense of being and belonging to a region.

Due to the complexity of issues and the need for cost saving, networked regional cooperation is more common in the new regionalism. An organization and a network have their different comparative advantages. A formalized, clearly defined administrative and hierarchical organization is, for instance, ideal for implementing strategies and policies, especially in a stable environment and where the problem at hand is clearly defined. On the other hand, a decentralized and flexible network structure may be more adaptable in a turbulent, rapidly changing environment and in situations where progress hinges on accommodative, flexible cooperation and more informal and inclusive relationships and communication.

Multidimensional organizations are also harder to evaluate in terms of effectiveness than are unidimensional organizations. It may be difficult to measure spillover effects or benefits of providing a compre-
hensive framework. Unidimensional organizations are easier to assess in terms of effectiveness because they are established to achieve precise objectives.\textsuperscript{6}

Institutional reform is pushed by changing problems and issues. Globalization forces national institutions to think in terms of common concerns rather than foreign relations (Kaul and Le Goulven 2003). And it forces regional organizations to build interregional networks and partnerships with a variety of actors (transregional, interregional, multiregional) in response to global challenges. Institutional reform is more reactive than proactive. With better understanding of global issues it should be possible to correct this imbalance. The costs of improvisation are too high.

International organizations and institutions can be ordered according to their scope of action and liberty of decision-making (Kaul and Le Goulven 2003). At the top are organizations that set norms and standards and take part in international negotiations—in this context, multidimensional regional organizations. Here one should talk of actorliness rather than effectiveness. They can be improved through a long-term process of trial and error, but it would be hard to say that they have failed and should therefore be abolished. These actors are evolving and are capable of developing their own evaluation mechanisms. Next are operational organizations, which have specific purposes but nevertheless enjoy a certain autonomy in the way they try to achieve their goals. These are unipurpose organizations and networks. Here the level of achievement may be improved by a better-formulated mandate, better leadership and more resources. Last are service providers, with a very precise mandate and little room for manoeuvre on their own. Short-term measures can be taken based on simple criteria of effectiveness.

**Public goods and regional cooperation**

Judging from the literature, public goods and services can mean (perhaps too) many things: common resources (air and water), preferred social conditions (health, welfare and peace), common institutions and policies to pursue shared goals and systems of rules by which the common good is peacefully achieved (Kaul, Grunberg and Stern 1999; Kaul and others 2003). The essential meaning of the classical concept is often seen as the public provision of goods, which are non-rivalrous and non-exclusive. Other well-known problems concern how preferences are made known (the demand function) and financing, production and distribution. Peace
and security, as well as law and order, are often mentioned as pure public goods, where the sometimes blurred distinction between private and public causes less of a problem. Private provision of health is acceptable, but private provision of security defines a mafia system. There is therefore little doubt about public preferences (publicness). Furthermore, this public good is particularly valuable for poor people, who in the case of other public goods normally experience problems of access—the need to possess private goods in order to benefit from public goods.

The current interest in international public goods is due to the erosion of national sovereignty—caused by globalization—and raises the question of how public goods can be produced and distributed on the global and regional level. The distinction between global public goods and regional public goods is not very sharp, but it is clear that some international problems emerge within specific regions and are best managed through regional cooperation. One reason for focusing on the regional level is the lack of politically grounded problem-solving at the global level. International organizations and institutions operating on the global level are often treaty based and highly dependent on constituent states. Regional organizations, where power is pooled, tend to be more autonomous. This so far is a feeble trend with many setbacks, but it, in a transformative perspective, contains a historical logic.

Regional goods are undersupplied, and resources are undermobilized. Few public goods can be supplied only through the market mechanism. However state intervention might not be the solution. Non-state actors are becoming more involved, and novel forms of public-private partnerships are emerging. But there are other problems. Regional public goods can be exclusive and rivalrous (regional fortresses), as is typically the case with national public goods (from the perspective of non-citizens).

Focusing exclusively on the regional level would be misplaced. Many studies distinguish goods at different levels—mainly national, regional and global levels. Whether goods are regional (with a spillover range confined to a region) or global (with a universal or semi-universal spillover range) is by no means self-evident and depends on a range of factors. Many public goods have national, regional and global dimensions, which can change over time. Kaul (2003) claims that private and public goods are “socially constructed”, and their properties are not inherent in the goods themselves—hence the dynamic and transformationalist perspective. It is important to point out that the concept of regional public goods is problematic. Defining the level (and the spillover
range), which may depend on the nature of the public good, is difficult. Also difficult is discerning whether the region is the geographical origin and scope of the problem, the appropriate arena for intervention and action or the actor itself.

Regional cooperation schemes are also becoming more influential on the global arena and in the provision of GPGs. The European Union, for instance, is an important actor in the global trading regime. This might signal a transition between two trading orders—a transition from the old trading regime of national states to the new trading regime of regional trading blocs (interregionalism). Similar tendencies can be witnessed in other areas such as environmental policy. Thus this paper deals with the relationship between the global and the regional.

By the same token, there is also an intriguing relationship between the regional and the national levels. Regional development banks are designed to achieve national goods, which is the result of their special lending procedures. In the case of SADC (a national actor in practice) the institutional design was decentralized (until 2002), with each member country responsible for a particular sector of cooperation. This institutional structure often resulted because the regional cooperation scheme was used to implement national projects. Other regional cooperation schemes reveal similar characteristics. There must be a more cooperative relationship both between regional and global levels and between national and regional levels.

The importance of interlevel cooperation is one of the main messages of this paper. The principle of subsidiarity has received a lot of attention in the public goods discourse. For many observers and policymakers subsidiarity suggests that, depending on what level the good is allocated, there is a corresponding first best institutional solution. Some observers emphasize decentralization. Kanbur, Sandler and Morrison (1999, p. 2) state that “subsidiarity dictates regional and sectoral decentralization”. But decentralization should not be carried too far, since many problems require cooperation between levels. Kaul (2003, p. 6) supports this idea: “In the case of regional and global public goods there often is not only a need for ‘horizontal’ cooperation, e.g. between the state and non-state actors, but most importantly, for ‘vertical’ cooperation, i.e. cooperation between various levels of government, at the local, national, regional and inter-regional/national levels”. Thus determining the appropriate interlevel or multilevel mechanisms deserves emphasis. Most public goods have national, regional and global dimensions—links that must be kept in mind.
Conclusion

This framework comprises four steps. First is emphasizing the importance of the ongoing transformation of the international system, manifested also in the transition from old to new regionalism. The transformationalist thesis is that all states and societies go through a profound transformation as they adapt to a globalizing world. This implies a transition between a Westphalian or state-centred and a post-Westphalian or post-sovereign world order. Second is taking inventory and classifying established forms of regional cooperation into unidimensional or multidimensional and organization or network structures. Third is to consider the meanings and sources of effectiveness in regional cooperation. This framework builds on the assumption that certain problems, associated with ineffective public management, emerge within distinct regional contexts and are best addressed at the regional level. At the same time a region, due to the new importance of regional actors, is often transformed from object to subject and assumes a capacity to act (actorness) depending on the coherence and institutionalization of the region. A strong, well organized region—with effective institutions—will contribute to regional and global public goods. Fourth is to identify international public goods and differentiate national, regional and global public goods. The need for interlevel cooperation must be stressed.

Applying the framework

Here the framework is applied to each of the GPG areas identified by the Task Force: trade, knowledge, peace and security, financial stability, adverse environmental spillovers and communicable diseases.

Promoting the gains from trade

Since the mid-1980s there has been a strengthening, deepening and widening of regional trading arrangements, and more or less every country in the world has joined at least one of these ventures, which include the single market of the European Union, NAFTA, Arab Maghreb Union, ASEAN, Caribbean Community (CARICOM), Mercosur, SAARC, SADC and so on.

Many economists consider multilateral free trade as the optimal and “first best” option for promoting the gains from international
trade. The general assumption is that an open and competitive international market is a GPG (Birdsall and Lawrence 1999). Regional trading arrangements are often seen as second best, so they are judged according to whether the arrangement contributes to a closed or open multilateral trading system, embodied in the so-called stumbling block versus stepping stone dichotomy. Many of the regional trading arrangements of the old regionalism in the 1950s, 1960s and 1970s were inward looking and protectionist. When judged by today’s economists they are often regarded as failures and stumbling blocks (although at the time they were often considered instruments to enhance industrial production).

Today most economists favour “open regionalism”, which prescribes the elimination of obstacles to trade (and to some extent investment) within a region while tying into the multilateral trading system and doing nothing to raise external barriers to the rest of the world (Cable and Henderson 1994). Thus open regionalists seek to promote trade liberalization on regional and multilateral levels. This strategy guides regional trading arrangements in many parts of the world—such as with the Asia-Pacific Economic Cooperation (APEC) and Mercosur. Important actors such as the European Union, United States, World Bank and World Trade Organization (WTO) often favour this regionalization strategy—at least for developing countries (and not necessarily for their own actions). This is, of course, a particular notion of how multilateralism and regionalism (should) relate to each other.

The argument here is different. No government has a clear-cut choice between regional or international trade. Linear developments are unlikely, and regional trade arrangements and multilateral trade arrangements co-exist and are involved in a complex relationship. This is why the relationship between regionalism and multilateralism is so important.

There may be competition between multilateralism and regionalism. Some influential economists, such as Bhagwati, continue to warn against protectionism, arguing that today’s regional trade blocs do not promote the gains from trade. This is not unfounded, and protectionism still exists. The EU single market is, for instance, not always accessible for outsiders. However there is often an exaggeration of the costs of regional trading arrangements. For many regions regional trade can be important and provide an effective training ground. There are also important problems with the multilateral trading system.
Regionalism as a response to asymmetric multilateralism

When the multilateral trading system is analysed through a public goods lens it appears as a public good in form, but not in substance (Mendoza 2003, p. 455). The welfare gains and net benefits from the multilateral trading system are extremely imbalanced, skewed towards industrial countries. The WTO only passes the minimal “neutrality” notion of fairness but probably fails the two others—“net benefit for all” and “maximum rule” (Mendoza 2003, p. 469). As a consequence, it is neither legitimate nor effective.

From a historical perspective the multilateral trading system is arguably successful. However the General Agreement on Tariffs and Trade has proved unfair, uncertain and ineffective in dealing with the economic and political challenges since the 1990s. Mistry (2003, p. 135) attests that the WTO has been “hijacked” by Organisation for Economic Co-operation and Development (OECD) governments to protect their interests in a world where their economic and military power is challenged by emerging developing countries. Much of today’s regionalism, especially (but not only) in developing countries, has often developed in response to the dominance of the WTO and globalization. Even if multilateralism is the first best strategy for enhancing the gains from trade according to economic theory, regionalism is the first best policy option in practice. Thus the problem with economic theory: it does not automatically lead to good public policy (Higgott 2002). “New regionalism is being embraced because old multilateralism no longer works” (Mistry 2003, p. 136). Regionalism has become the best coping and risk management strategy. The new challenges facing countries cannot be handled through national action, so sovereignty is pooled. Regional arrangements allow the market access that was never realized through multilateral negotiations. Furthermore, many countries have been helped by the unilateral liberalization of neighbours and the commitments undertaken in the context of regional trade agreements.

There is also a proliferation of bilateral free trade agreements all over the world, but especially in East and Southeast Asia and the Americas. This is also happening in the context of frustrated multilateralism and because of low trust in the WTO. One important explanation is that many bilateral trading agreements are emerging because policy-makers want “to create an illusion of control over one’s own policy processes and policy choices” (Higgott 2002, p. 22). There are cases in which bi-
lateralism improves conditions and ultimately converges into regionalism or multilateralism—or both. However it can be seen as a statement of sovereignty, resulting in a fragmentation of both multilateralism and regionalism. One of the more important problems is that strong states want to make bilateral agreements with weaker states. However regionalism implies a rule-based order, which is more inclusive because some countries will not be able to conclude bilateral agreements. There is more strength in the regionalist solution.

There is a comparative political advantage of regionalism over conventional multilateralism. Regionalism is likely to become a stronger force over the coming decades, particularly if the multilateral trading system remains unchanged. Regions may be good vehicles for smaller countries to increase their bargaining power and voice in multilateral trade. Regionalism offers a better approach than nationalism, bilateralism or multilateralism. It can often be easier and more effective than multilateralism, which depends on 200 or more unequal nation-states and is hijacked by the Group of Eight and OECD countries. The most pragmatic and effective solution is a regional multilateralism. Regionalism will cede to multilateralism only when multilateralism is rebuilt on foundations of successful regionalism and a more fair world order (Mistry 2003). There is a risk that the most powerful regional countries may dominate regional arrangements in accordance with their myopic national benefits and at the expense of weaker countries. A fair distribution of costs and benefits is the most decisive but also most difficult factor in economic regionalism. Still, regionalism is more effective in dealing with fairness than is multilateralism.

In this context it should be stressed that the point is not to put regionalism against multilateralism. There is no simple choice between the two, but there should be a more fruitful relationship. The multilateral principles and rules of the WTO could set the conditions for regional trading arrangements—at least to the extent that the rules are adhered to—preventing certain inward-looking and protectionist regional trading arrangements. But if rules within regional trade units converge with multilateral rules, they will reinforce the multilateral system. This means that multilateralism can improve the functioning of regional trading arrangements. The case of anti-dumping exemplifies how the WTO helps to loosen frictions of regional arrangements. Brazil and Chile, usually “victims” of anti-dumping measures, are eager for stricter WTO discipline and the use of such rules as a policing instrument of regional relations (Tussie 2003).
Furthermore, members of regional trading arrangements are increasingly likely to demand new services from the WTO, such as policing regional relations and contributing to healthy regional relations. This need is a severely understated case of “how regionalism is providing a substance to multilateralism” (Tussie 2003, p. 115). Thus regionalism is conducive to a more useful and functional multilateralism. But it goes much further than this; as noted above, regionalism can be seen as a prerequisite for reconstructing multilateralism on a more equal regional basis.

Conclusion

The mainstream argument is that trade integration should precede other forms of regional economic integration, with a narrow focus on trade liberalization. During the past decade the heavy focus on trade liberalization (multilateral and regional) for development has been increasingly questioned. As Rodrik (1998, p. 2) points out, in the mainstream discussion the benefits of trade reforms for economic growth and development are overestimated and “can backfire if it diverts the scarce energies and political resources … from growth fundamentals”, such as human resources, macroeconomics, fiscal policy and so on. Many scholars and policy-makers have pressed for a more development-oriented approach that emphasizes intervention by political institutions and policy manoeuvre to generate innovative development policies ultimately more important than trade liberalization alone (Mendoza 2003; Mistry 2003). It is interesting to note that there has been a noteworthy convergence between economists and political economists, emphasizing a broader perspective.

Development-oriented regionalism goes beyond static trade benefits that are the focus in conventional thinking. Development is multidimensional, depending on positive spillovers and links between different sectors, which in turn requires a more holistic regional approach, whereby trade integration is coupled with other forms of economic and factor market integration (investment, payments, monetary integration, harmonization) as well as various types of economic cooperation in specific sectors (transport, communications) (Robson 1993; Padoan 2001). This approach is both fair and politically feasible. From a political standpoint, it is easier to liberalize towards neighbours than on a multilateral basis. And it is also easier to deal with distribution issues. Regional trade clubs can deal more effectively with non-trade economic...
and political challenges such as environmental protection and migration (Birdsall and Lawrence 1999).

This line of thinking is part of the EU model. It has started to affect different versions in other parts of the world, such as in East and Southeast Asia (ASEAN), Latin America (Andean Community and Mercosur) and Southern Africa (SADC). The strategy is manageable only through multidimensional and comprehensive regional organizations. Such organizations can exploit spillover effects and links between trade and non-trade issues and between economic and political sectors and benefits—considerably more difficult in other types of organizations. NAFTA, for instance, is mainly a trade agreement and will be more difficult to sue to exploit such links. Similarly, most EFTA countries found membership in the European Commission more rewarding. What this shows is the general trend towards multidimensional regional cooperation and towards regional organizations with a higher degree of actorness.

A comprehensive and development-oriented regionalism should:

• **Go beyond trade and trade liberalization.** The benefits of regional trade liberalization are much less significant than what they used to be. Today’s world is dramatically different from the world of the 1960s. And GATT’s “success” in reducing tariffs—and to a lesser extent non-tariff barriers—somewhat paradoxically results in the need for a broader approach (Higgott 2002).

• **Ensure fairness and positive integration.** The conventional model is heavily centred on “barrier-dropping” and negative trade liberalization. Development-oriented regionalism requires more positive mechanisms to make the regional market more effective and fair.

• **Link trade to other forms of economic integration—especially monetary integration, transport and communication—and to non-economic sectors.** There is a weak link or no link between trade integration and other economic sectors and forms of integration on the early stages of conventional regional economic integration, above all monetary and financial policies integration, which is a deficiency in the current context of globalization and liberalization and growing levels of capital flows and financial deregulation (Higgott 2002).
Promoting the gains from knowledge

Knowledge is necessary in the promotion of all GPGs. Here this paper explores the role of regional cooperation in promoting the gains from knowledge, focusing on regional research organizations and networks in Africa, where the research and higher education systems are the weakest. Research is a specific form of knowledge, with deep public good aspects.

In the past research was often referred to as part of the national interest, but it is becoming globalized and regionalized. Research that creates knowledge—for instance, how to make a vaccine—can be a GPG. For research on regionally focused problems, such as health, agriculture and environmental management, the benefits are often regional rather than global or national (Cook and Sachs 1999). This analysis suggests that research increasingly takes on the quality of a regional public good and that regional research organizations and networks are crucial for promoting its supply.

This is similar to the globalization of the knowledge industry and the speedy development of information technology, which has profound consequences for research and education. Actors increasingly begin to think beyond the national scale. Higher education and research become internationally traded services on a (more or less) global market, implying that universities and institutions have to both compete and cooperate with actors from the rest of the world. This is more a challenge than a problem. The revolution in information technology has removed the disadvantages of distance and cost for many Africans, especially in virtual services such as knowledge. In this globalized condition, African researchers, universities and other research organizations will inevitably begin to form strategic partnerships, networks, strategic coalitions and alliances across national systems. Research networks are most effective when they operate within a regional setting, where there is a clear common ground between the partners (Carden 1995).

Varieties of regional research organizations and networks

There is enormous diversity among formal and informal research networks and organizations in the world today. Networks may be monodisciplinary, multidisciplinary, thematic or broad, involve researchers or policymakers and so forth. Many African organizations and networks can be
categorized as one of four varieties consistent with the typology defined in this framework (see table 5.3) (Söderbaum 1999, 2001).

The four types of regional research organizations and networks differ in their institutional and organizational structure, which range from hierarchical organizations to decentralized networks. According to this yardstick the regional research centres are the most hierarchical and bureaucratic, followed by regional research organizations, regional research associations and regional research programmes and projects, the most informal and decentralized. In many ways this order also reflects their size, budget and comprehensiveness.

Regional research organizations and networks have different purposes and perform different functions, some more oriented towards research production and others towards networking. More specifically:

- A regional research centre is designed and organized to produce research and research results, although it may also serve a host of other closely related functions, such as education, publications, information dissemination and to some extent networking.
• A regional research organization often derives much of its justification through its ability to produce relevant research results while networking, educating and training, building research capacity and disseminating information.

• A regional research (or professional) association is normally not so engaged in comprehensive research production, but designed to link participants together for networking purposes—for example, often to provide a meeting and networking arena for its members.

• A regional research programme or project is often specialized and specific, primarily aiming to build research capacities (often including an element of research training), produce new research results and enhance networking between a limited number of carefully selected participants.

Despite these different functions there is an important and perhaps surprising structural similarity between regional research organizations and networks. In general, many are multidisciplinary, focusing on research production, with a series of other functions such as networking, research and publication, information and documentation, grants and scholarships and training activities. These similarities are interesting because it is unlikely that organizations and networks with so radically different organizational structures are equally effective at carrying out similar tasks and functions. Despite many donor evaluations on specific organizations and networks, there is, however, a pressing lack of research and evaluations from a comparative perspective. The suggestions can therefore be only preliminary.

An outstanding issue is the effectiveness of the gigantic or at least comprehensive regional research centres, such as the International Livestock Research Institute and other similar centres within the Consultative Group on International Agricultural Research. These are sometimes believed to have had a strong positive impact for developing countries, such as in agricultural research (Cook and Sachs 1999). The general justification has been that they produce important research results. Despite being extremely expensive, they are well resourced and tend to live a life of their own—without being integrated into or contributing to national research systems in developing countries. It would also be interesting to compare their cost-effectiveness with smaller, more flexible and less costly structures, such as regional research programmes. The equivalent amount of funds spent on one regional research centre could create a significant number of regional
research projects and programmes all over Africa and in a variety of fields and disciplines.

An interlevel approach

Regional research organizations and networks are frequently assessed by how much they contribute to the notion of national research capacity (Carlsson and Wohlgemuth 1996; Fine 1997; Sida 1998; Eisemon and Holm-Nielsen 1995). They are often seen as coping or complementary mechanisms, enabling institutions for research and learning to develop when national structures are weak. The fundamental problem is that regional research organizations and networks are not assessed for the benefits they create, but in terms of national research capacity. This has many adverse effects, and there is misplaced competition between the national and regional levels.

The excessive focus on national research capacity is misguided and ignores the structural shortcomings of most national systems and the increasing salience of cross-boundary research networks. Regional research organizations networks provide many important benefits that cannot be achieved otherwise. Thus there are important benefits stemming from the pooling of resources and talents, the spread of risks and intellectual freedom and pluralism, as well as more specific benefits related to research production, networking and dissemination of information and knowledge. A more nuanced understanding of the real and potential benefits of regional research organizations and networks is necessary.

Regional research organizations and networks are certainly no panacea. A holistic and interlevel approach to knowledge production and research capacity building is needed. The relationships between the levels (individual, institutional, national, regional and international) need to become mutually reinforcing instead of competitive and counterproductive, which tends to be the case today (Carlsson and Wohlgemuth 1996; Fine 1997).

The role of the donors

Most regional research organizations and networks in Africa depend on donor funding. The fact that they are funded shows an understanding of their necessity. But research reveals that the very structure and ways in which the donors act tend to counteract networking activities. Aid
agencies tend to focus on national research capacity instead of a multi-level approach. Furthermore, donor agencies, especially the large ones, tend to operate in a blueprint rather than a process mode and are relatively rigid and inflexible, preferring standard formulas and approaches. Their main objective is to achieve the goals by which they are judged (Moore, Stewart and Huddock 1995).

A different approach is necessary, including:

- Patience and a long-term outlook rather than short-term, large-quantity spending.
- Flexibility, experimentation and willingness to admit and learn from mistakes.
- A focus on human skills and knowledge production rather than expensive hardware.
- Fewer recipient institutions and closer monitoring of operations.
- More core support for institutions with proven track records.
- Sensitivity to the particular cultural and political environment and context into which the institution is to fit rather than mechanical and instrumental models and rules of thumb (Moore, Stewart and Huddock 1995; Tostensen 1998).

Conclusion

Regional cooperation in the promotion of knowledge has many comparative advantages—especially in Africa, where national knowledge and research structures are weak. Regional cooperation in research is enabling partners to pool resources and capacities. But there is still a need to further assess the cost-effectiveness and relevance of different types of regional research organizations and networks.

The usefulness of regional cooperation for knowledge and capacity building depends on the problem and the capacities at other levels (global and national). Regional cooperation needs to be integrated into an interlevel and holistic approach.

Regional cooperation in research requires a different institutional approach than that taken today. The approach should be built on a long-term perspective, flexibility and willingness to learn from mistakes, core support for regional institutions and sensitivity to the cultural and political environment and context.
Preserving peace and security

Peace and security is perhaps the most frequently cited example of a pure GPG. It is often understood as a single concept—absence from direct violence and freedom from fear and terror. But peace and security is in fact complex—absence of structural and cultural violence and freedom from want. The two components refer to different ambitions and stages in a peace process and should be kept analytically separate.\(^8\)

It is important to recognize that the structural conditions for peace and security are going through a long-term transformation, evident by the rise of intrastate violence and failed states, suggesting a new (post-Westphalian) security problem in contradistinction to the traditional security literature concerned (or obsessed) as it was with interstate relations. This transformation has also changed the objectives and the legitimization of intervention and peacekeeping (the new interventionism).

In the traditional Westphalian order, security within the state is guaranteed by the state’s monopoly on violence. In the international system the basic means of protection is national defence, alliances and collective security arrangements, such as in the United Nations. Security threats emerge from different levels—collapsing states, interstate conflicts, which may be and often are regionalized, and global terrorism, which also has its specific regional manifestations. Terrorism is a global phenomenon for both victims and perpetrators.\(^9\)

An external engagement may take place before, during and after a conflict. The comparative advantage of a regional approach will differ in these situations. Here the focus is on peacekeeping.\(^10\) However a general observation is that the three phases should not be isolated from each other, neither analytically nor by policy.

The comparative advantage of regionalism

The relationship between regionalism and peace and security is multifaceted, and the concrete content depends on the nature of the security situation and the stage of “regionness” of the geographical area in question. A regional security complex is defined by security interdependence, which implies the risk of a local conflict spilling over into neighbouring areas throughout the region. When faced with more widespread conflict, the security complex is transformed into a security community, defined as a stage in political development where positive
interdependencies among a group of states make it inconceivable to use violence to solve conflicts. Classic examples are the Nordic countries and the European Union. The concept has also been applied to such other regions as ASEAN and Mercosur, whereas in Africa the role of regional actors has been to improvise interventions in acute regional conflicts (Adler and Barnett 1998). This reflects low regionness as well as poor institutionalization and actorness.

Regionalism and peace and security can relate to each other in widely different ways. Regional integration is traditionally seen as inherently promoting peace. Regionalization of conflicts may also stimulate regional cooperation with the purpose of preventing spillovers to other countries. Most multidimensional regional organizations have developed some kind of institutionalized conflict mechanism, thereby laying the ground for increased actorness. Regional cooperation has more recently been motivated by global and regional terrorism because terrorist networks regularly move between countries, particularly countries lacking law and order (weakest link). Interregional cooperation may, finally, have a positive impact on world order.

Regions are thus important actors in crises. A regional organization can become the mediator in ethnic conflicts, and, in terms of culture and values, be closer to the parties than global mediators. But there is the risk of taking sides in the conflict or exploiting the situation for material gains.

A discussion of the comparative advantage of regional cooperation must consider the realistic alternatives, the level of regionness and the effectiveness of relevant regional organizations. Consensus building, support structure, engagement in conflict resolution and restraint of third parties must also be considered (Diehl 1994). Furthermore, distinct problems arise, such as resource constraints, organizational weaknesses, lack of neutrality and the role of the regional dominant power. Diehl (1994) concludes that multilateral peacekeeping is more effective than regional peacekeeping. However multilateral peacekeeping is not always forthcoming; and, if it comes, it usually comes late. The optimal solution would be an interlevel operation.

Actorness depends on the level of regionness and degree of institutionalization. However regionalization of conflict can have such dire consequences for a region with weak institutions that intervention has to be improvised as an emergency. Such interventions are often suboptimal, but ineffectiveness may nevertheless be preferable to inaction—at
least there are learning processes involved. Most international and re-
gional (and unilateral) interventions in domestic conflicts have been
failures, mainly because of the extreme complexity of intervening in a
society in conflict.

The conflict circle

Conflicts are not sudden events, but historical structures that are trans-
formed over time. There are three crucial elements in any analysis of
external (including regional) involvement in protracted conflicts: early
prevention, military intervention and post-conflict reconstruction. A
circle is a simplified way of understanding conflict dynamics,
but there is no natural history of conflict in the real world. The con-
flict cycle could be relatively short, if conflict resolution takes place
before the conflict turns violent, or very long, if early conflict preven-
tion fails.

The first phase of prevention precedes the conflict even in its
latent form. Called “provention”, it combines the promotion of
conditions for peace and the prevention of conditions for violence
(Burton 1990). The idea here is to try to end a conflict at the earli-
est possible stage by dealing with structural root causes, not to wait
for it to ripen and show a “mutually hurting stalemate” (Zartman
1985)—hence the importance of development regionalism, which
coincides with prevention. International development assistance has
a preventive role to the extent that a conflict consciousness is main-
streamed into international development cooperation—acknowl-
edged in the new Swedish policy for global development and the
Cotonou Agreement between the European Union and the African,
Caribbean and Pacific countries.

Intervention usually means military intervention to end violent
conflict. Whether it is termed “humanitarian intervention” or not is
due to the nature of the crisis. Distinctions can be made among dif-
ferent modes of military intervention in acute regional security cri-
ses: unilateral, bilateral, plurilateral, regional and multilateral. Regional
and multilateral engagement, preferably in some kind of combination,
should be the predominant form of humanitarian intervention in the
future to the extent that legality and legitimacy continue to play a role
in international relations. Unilateral and most plurilateral interventions
violate international law but may sometimes appear legitimate, as in
Kosovo in 1999.
A peace agreement is the formal end of conflict and the beginning of reconstruction. There are three forms of conflict resolution in divided societies:

- Constitutional change, modifying the skewed ethnic power structure and establishing a power-sharing arrangement within a particular state formation.
- Dismemberment of the state, an option that remains open when constitutional reform has failed.
- Integration of neighbouring states into a regional formation (ultimately to become a regional security community), a process providing solutions to ethnic tensions simply by downplaying the role of borders.

Post-conflict reconstruction is a new experience of massive social engineering, completely different from the physical rebuilding of war-torn societies—such as in Europe after the Second World War—in which the inner societal coherence is still intact. Of utmost importance is that the destroyed society be reintegrated into the regional economy, communication network and system of resources in a supportive way through regional cooperation. Consider two contrasting cases: the Balkans and West Africa. The outside world initially showed little interest in either case and was largely unprepared for what happened.

*The Balkans*

The Balkans proved to be a difficult challenge for regional crisis management, and people are still unable to assess the outcome of the attempts at conflict resolution. One can speak of a primitive regional security complex (with high negative security interdependence). People are split among several states. There is no formal regionalism. There are few spontaneous regional activities apart from smuggling. There is certainly no regional civil society. And the region is far from being an actor in its own right. The situation is a major security dilemma for the new Europe because the subregion must be seen as part of Europe rather than its near abroad.12

Bosnia and later Kosovo are examples where prevention has been confused and ineffective.13 The first preventive regional intervention was in Macedonia, which has become a key testing ground for an independent, post-NATO European security policy. Unfortunately no preventive measures—such as removing injustices and balancing the influence of ethnic groups—were taken. Few observers would thus consider the EU response to the Balkan crises (Bosnia, Kosovo and
Macedonia) an unqualified success. The record has underlined the persistent power vacuum in a Europe searching for a viable security order, institutional responses lagging behind the events.

Various attempts at conflict prevention in the Yugoslav crisis were ambiguous and tentative. Ultimately the US pillar of NATO, leading to the Dayton agreement in November 1995, was the single-most effective factor in ending the Bosnian war. In the case of Kosovo, NATO attacked Yugoslavia, a sovereign state, which was terrorizing its own (Albanian) population, and as a consequence part of its territory was occupied and cut off from the rest of the country. This intervention was also of still more doubtful legitimacy in terms of existing international law.\(^\text{14}\)

Despite European regionalism being the most advanced, the regional factor was slow in managing the conflict. What forms could a strategy for security regionalism in post-conflict reconstruction in the Balkans take? There are three:

- Formal cooperation by governments anxious to raise the level of regionness.
- Informal cooperation made possible by increasing homogeneity through convergences in terms of externally imposed political regimes, economic policies and security arrangements.
- Passive integration through gradual participation in European structures, with the purpose of long-term integration of the Balkans as a subregion in the European Union.

Cooperation between governments will be bilateral and, as it has in other regions, may turn into regionalism. More likely, there will be hostile alliances, perhaps along religious or other historical lines, preventing overall regional integration in the subregion. Passive integration is not ideal because conditions will be completely decided on and imposed by external actors. It will be a colonial situation or, put more nicely, a protectorate.\(^\text{15}\) The most viable option is informal cooperation through spontaneous convergences in various policy areas. The convergence in these policy areas will not, of course, be wholly spontaneous. It will depend on several externally imposed conditionalities associated with participation in European structures, including democracy, human rights, clean government, market economy and non-aggression. Future prosperity and peace in the Balkans will be a European responsibility. It seems necessary, however, to sort out who is doing what in the institutional overkill that characterizes the European integration. Even if the various security organizations declare that their cooperation is excellent, their mandates and objectives are not the same.
The Dayton model confirmed the ethnic cleansing during the war, as very few returning refugees could return to their original homes. The subsequent peace process, which turned out to be longer than was expected (it is still not concluded), was supervised by a complex, improvised plurilateral organization led by NATO (its European pillar) and, in charge of civil affairs, an EU high representative. Subsequent elections with increasingly nationalist outcomes show that the post-conflict reconstruction has been largely fruitless.

West Africa

Africa is similarly plagued by insecurity and conflict. The problem is not defined by the conventional security dilemma, but arises due to domestic factors and the failure of states. During the cold war such intrastate crises were not allowed to escalate, especially not into brutal civil wars, and were seldom regionalized, as has been the case since the 1990s.

Although most conflicts in West Africa are domestic, they quickly become regionalized. This implies that the conventional distinctions between international and domestic and between state actors and other actors have become blurred, becoming largely insignificant. Instead of several isolated so-called civil wars, there are regional war zones. The root causes of the various conflicts can be traced far back in the history and political logic of these countries, including their international connections.

In the wake of the Liberian crisis, ECOWAS established the ECOWAS Monitoring Group (ECOMOG) to keep and enforce peace. It was often met with positive reactions around the world, and many observers claimed that it, in cooperation with the UN Observer Mission in Liberia, gradually helped to resolve the conflict plagued by several years of fighting, turmoil and instability. ECOMOG was sent to neighbouring Sierra Leone as well.

Despite weaknesses, the ECOMOG interventions in Liberia and Sierra Leone are a model for international and regional conflict resolution and peacemaking. But intervention forces often became part of the conflicts, sometimes fueling violence. ECOMOG and various other groups soon lost sight of why and whom they were fighting, becoming embroiled in the warlord political economy logic of the war (Boås 2001). In a situation where violence has erupted, it can be difficult to refrain from the use of military force. But there is consensus that the interventions were certainly not success stories.
There were clearly alternative strategies of conflict intervention and so-called peacemaking in West Africa. The interventions were generally introduced too late and undertaken by the wrong means. As emphasized in the conflict circle, military interventions are often a direct result of the lack of preventive and preventive strategies in the first place. In general, the regional interventions were shortsighted. It was thought that conflicts could be solved by quick-fix military solutions and fire-brigade operations, which seek to restore everything as it was, or through peace agreements or multiparty elections. But conflict often resumes soon after a ceasefire agreement is signed. Peace agreements are certainly necessary, but violence tends to erupt again simply because the root causes of the conflict go unaddressed, especially in cases of a deep-seated political economy of warlordism.

The immediate and medium-term challenge in the effort to consolidate security regionalism is to move towards a coordinated, transparent, norm-based and institutionalized structure with preventive and preventive means (Adibe 1997). ECOMOG and other regional intervention projects must transcend fire-brigade operations. This would prevent the security organization from becoming an instrument for political leaders to use for personal interests. There needs to be a change of attitude on the part of politicians and foreign donors and an understanding of conflict dynamics and how to build peace.

Similarly, the UN Observer Mission in Liberia, which was the first organized partnership between the United Nations and a regional intervention force, was a failure. “Those looking for a model of UN burden sharing with regional arrangements should be directed away from ECOWAS and Liberia” (Adibe 1997, p. 84). Despite this, such a model must be developed.

Conclusion

Conflict management usually comes too late and by the wrong means. Prevention is problematic because it is counterfactual; its fulfillment should not be that conflict never takes place. Prevention, on the other hand, attracts much more interest. The difference is obvious in terms of material costs and the amount of suffering between a conflict subdued at an early stage and a conflict that is fully developed, not to speak of the costs of post-conflict reconstruction. But prevention efforts usually come too late because the mechanisms for early management of emerging conflicts are embryonic at best. Early warning has not quite
become the instrument hoped for, which is most clearly exemplified by Kosovo. Few conflicts have been correctly forecasted by so many. Similarly, the Liberian crisis erupted with little reaction from the international community. The same is true for the crises in Darfur and Rwanda—two cases of genocide.16 The real problem is not early warning but early action. For these reasons conflict management tends to be identified with peacekeeping, or rather (as the trend seems to be) peace enforcement.

The Liberian crisis took place in the shadow of the Gulf War. When the global community finally acted by establishing the UN Observer Mission in Liberia, the response was too weak, undertaken for the wrong reasons and had a malfunctioning relationship with ECOMOG. The international community seems to be able to deal with only one crisis at the time. Regional crisis management would mean dealing with multiple crises simultaneously. In Africa crisis management is so far confined to ending warfare. There are too few resources for either prevention or post-conflict reconstruction. Thus international development assistance and global cooperation have an important role to play—to encourage the development of specialized institutions for conflict management, preferably within regional organizations. Over time these institutions must be able to independently assess emerging conflicts—the earlier the better—and have operational capacity. Nevertheless, it is essential that all phases of the conflict circle are kept in mind so as not to repeat the mistakes that led to the crisis.

Finally, reconstruction is a somewhat misleading concept. The purpose must be to find a new role for a particular community in the globalized world—best done by finding a place in the larger region to begin with. Because there are few successful interventions in ongoing conflicts there should be a stronger focus on prevention and prevention than on military intervention. In poor regions this has to be part of the international development aid system and mutually agreed on in partnership arrangements.

**Ensuring financial stability**

Financial stability is regularly referred to as an essential GPG. More recently it has been mentioned as a regional public good. But experts strongly disagree about the causes and cures of instability. This is particularly the case for regional solutions, which are seen as second best.
The sector most associated with globalization, the financial market, has transformed dramatically in the past few decades. In the post–Bretton Woods deficient international financial architecture, the circulation of capital has been increasingly difficult to control. Confidence crises leading to withdrawal of capital are contagious and result in enormous losses (Europe in 1991–92) but disproportionately affect the weaker regions (Mexico in 1994, East Asia in 1997, Russia in 1998 and Argentina in 2001).

Monetary cooperation can have many objectives—one of them being financial stability, which means the absence of excess mobility. Financial stability refers to “the absence of stress that has the potential to cause measurable economic harm beyond a strictly limited group of customers and counter parties” (Sagasti and Bezanson 2001, p. 125). It is the problem of contagion that is most associated with crisis. Because financial crisis can spread across countries it requires a collective response, but at what level?

Financial contagion is boundless and provokes panic. The exit of international investors from an emerging market transforms a national public bad into a regional and global public bad (Griffith-Jones 2003). Like the trading system of the world, the financial system is asymmetric. Financial stability is a global issue, but global instruments show a bias against the emerging markets, which raises the issue of building regional institutions to protect against excess volatility. The need for regional solutions has been more widely discussed in the developing world, where institutions are the weakest.17

Focusing on the 1997–98 Asian financial crisis, this section analyses regional approaches to financial stability as a public good. However the necessary background to the regionalization of financial policy, or monetary regionalism, is to be found in Europe, where the first regional currency has been established. This is not to say that these lessons can be directly applied to other regions, but the European case can be learned from.

Lessons from the European experience

In the Rome Treaty of 1957 the issue of regional currency was not mentioned, but the possibility of mutual aid in the case of financial disturbances was at least envisaged. The general framework for dealing with such issues was the Bretton Woods system, established after the Second World War—and with October 1929 in good memory (Tsou-
Monetary stability can thus be seen as both a global and national concern.

Following the breakdown of the Bretton Woods system in 1971 has been a trend of monetary regionalism. The reasons for this are many. The increasing economic interpenetration within Europe led to the need for macroeconomic policy. Other motivations were the vulnerability to global financial disturbances and the dependence on the United States. A monetary union was also seen as a road towards political union. All this required a transfer of decision-making powers from the national to the regional level. The process was slow, winding and full of setbacks. The European Monetary System and the Economic and Monetary Union (including the euro) are successive systems, all with less than full participation (variable speed). They show that a monetary union is a political goal, despite asymmetries, rather than the ultimate outcome of economic integration (reflecting increasing symmetry).  

Regionalization of monetary policy in Europe was a consequence of the lack of reform of the international framework. It coincided with a decline in US influence. It was thus considered a second-best solution, and it was shaped by the strongest actor—Germany. This underlines the need for a leader in monetary integration, but also the risk that a national concern (in this case the obsessive fear of inflation) becomes a collective responsibility. But there was still no full participation. No insulation against external instability could be guaranteed. The 1992–93 European crisis proved this. During this crisis policy coordination at the European level showed its institutional limitations (Tsoukalis 1997). More recently the problems of the European Stability and Growth Pact underline the dangers of political divergence within a monetary bloc. Monetary regionalism in Europe is thus no total success story, but it shows the importance of institutional backing and of political commitment and a common approach to economic policy.

Asian rethinking

The 1997 Asian financial crisis underlined the interdependence of East and Southeast Asian countries. It also “exposed the weakness of existing regional institutional economic arrangements” and led to a crisis for both ASEAN and APEC, the two competing regional organizations (Higgott 2002, p. 2). The affected countries were frustrated over the lack of remedies on the global level and the lack of EU and US concern for the problems and interests of developing countries. Developed coun-
tries imposed neoliberal policies in a region known (and criticized) for its interventionism. Before the Asian financial crisis there was little discussion about regional approaches to the management of financial stability outside Europe.

The impact of the crisis was confined to Southeast Asia, with some spillover into East Asia (the Republic of Korea). Therefore the regional dimension seems relevant as far as causes are concerned. Regarding the cure, a regional approach took the form of an Asian monetary fund proposed by Japan but received little support and was resisted by the European Union, IMF and United States. This, however, seems to have undermined the confidence in the soft institutionalism of the ASEAN way and underscored the need for deeper institutionalization and stronger commitments from free-riding countries. In May 2002 the ASEAN Plus Three (China, Japan and the Republic of Korea) met in Chiang Mai to discuss regional cooperation in combating financial crises. This meeting may yet prove to be a breakthrough for monetary regionalism, but it is too early to tell.

However the weakness of ASEAN Plus Three’s response indicates a lack of institutional strength, which in turn raises the issue of what the relevant size of the regional organization should be. Looking at the dynamics of the crisis, it is obvious that ASEAN (which is the most developed regional organization) is too small, whereas APEC is too big and has contradictory interests. An appropriate organization, ASEAN Plus Three, is now emerging, which underlines the point that the regional problem affects the organizational development—the attempts to create regional public goods. According to one expert on the region, “there is good reason to believe that the APT will emerge as the key organization in East Asia” (Stubbs 2005, p. 214).

A realistic division of labour must also be developed. The regional level should focus on surveillance and prevention rather than crisis management, which requires sufficient regional funds. If all countries in a region are affected by financial turbulence, there is obviously little scope for bailing out. Regional development banks exist in all regions (Mis- try 1995). Another solution might be found in finance, as suggested by Wyplosz (1999, p. 183), “such as the World Bank works along regional development banks, the IMF could operate alongside regional funds”.

Most needed on the national level are financial discipline and transparency. If the national economic policies on this level are diverging, the whole system is undermined. In cases of outright mismanagement, a global (rather than regional) approach is probably necessary.
Conclusion

Monetary regionalism is now appearing as an (at least theoretical) alternative to the existing multilateral institutions, which commonly but exaggeratedly are seen as a global public goods regime.

The major lesson from the European experience is the need to lay an early institutional foundation for financial policy. Furthermore, there must be political will and commitment. The Asian crisis showed this. An Asian monetary fund would have provided soft loans in the interest of the region. The killing of this initiative shows the amount of interlevel policy differences. The best solution is not to replace a global public good with a regional good, but to develop a multilevel order where the relevant levels are mutually supporting. For this to happen, the normative issue of fairness in the global regime must be addressed. As long as interests and values create policy incompatibilities and contradictions between levels, such “cooperation” would be counterproductive. How this can be changed into a harmonious system without a pluralist understanding of economic policy is difficult to see. This is ultimately a world order issue; the quality of multilateralism must be improved and the trends towards unilateralism mitigated.

Preventing adverse environmental spillovers

This section focuses on the role of a regional organization in dealing with a global problem, preventing global climate change and a regional problem, sustaining the usage of transboundary river basins.

Global climate change: the European Union and the Kyoto Protocol

The 1997 Kyoto Protocol is an ambitious UN-driven attempt to reduce the carbon-dioxide emissions of industrial countries by an average of 5% below 1990 levels by 2012. The underlying assumption is that greenhouse gases, especially carbon dioxide produced by burning fossil fuels, contribute to global warming. One of the most discussed issues in relation to the Kyoto process is that of the United States—the world’s biggest source of carbon-dioxide emissions—and its refusal to ratify the agreement. Also important is the strong EU commitment to the Kyoto Protocol. The European Union has emerged as the leader of the discussions on global climate change—the focus of this section. Its role is interesting for at least two reasons: it is an example of a regional organization dealing
with a global challenge and it illustrates the emerging post-Westphalian order, where regions are becoming actors of the multilateral system.

The European Union, particularly the Commissioner for Environment, Margot Wallström, has been involved in an intense diplomatic game to push and convince other countries to comply with the objectives and targets of the Kyoto Protocol. It has worked on many fronts and with many countries, Canada and Japan for example. Particularly important is the effective dialogue it has developed with the EU accession and associated states, which were not counted as part of the European Union under the terms of the protocol. The climate change policy has been a major focus of the negotiations with potential member countries.

A reluctant Russia, whose participation was required for the protocol to enter into force, was a high-profile issue. But through classic horse-trading at an EU-Russia Summit held in Moscow on 21 May 2004, the European Union promised to back Russia’s bid to enter the WTO in return for Russia’s ratification of the Kyoto Protocol. The agreement was a diplomatic success for the European Union and led to the entering into force of the Kyoto Protocol on 16 February 2005.

The European Union has also promoted compliance and implementation of its member states. A comprehensive European Climate Change Programme (ECCP) was launched in 2000 to identify and develop all the necessary elements of an EU strategy to implement the Kyoto Protocol and meet its emissions reduction target. The ECCP is a comprehensive programme that fills many gaps of the Kyoto Protocol by developing additional and practical mechanisms. Projections show that the European Union will not achieve the Kyoto targets with the measures currently in place, but could exceed the targets considerably with the additional policies and measures of the ECCP and other EU activities such as the Strategy for Sustainable Development, the Sixth Environmental Action Programme and the European Strategy for the Security of Energy Supply (European Commission 2003).

The ECCP extends well beyond conventional state-to-state relations. It is an example of a hierarchical and bureaucratic organization getting involved and promoting networking (and multilevel governance). It involves a broad range of stakeholders in the consultative and policy-making process. For example, the European Commission is the coordinator, facilitator and motor in converting and translating ECCP results into an EU action plan.

The European Union is in the process of developing a comprehensive post-Kyoto strategy. An important feature of this strategy is the need
for a continuing dialogue with third parties, focusing on key topics and outstanding issues of the protocol and on its implementation, including domestic actions, emissions trading, clean development mechanism, participation by developing countries, helping countries to meet their existing commitments and international monitoring and compliance (European Commission 1998, 2003).

In sum, one of the main reasons for the momentum of the Kyoto Protocol is the leadership and commitment of the European Union. The absence of such strong commitment could easily have killed the process in 2000, when many countries were reluctant to participate and when the process was facing severe difficulties. A new dimension of world politics is emerging as a regional union takes the lead in dealing with a genuinely global public good. The political will and decisiveness of the European Union has served to overcome many of the protocol’s weaknesses, both within the EU membership and outside of it. So, where the protocol has set the norms and standards, the European Union has contributed to implementation. And it appears that the European Union will be a crucial actor in setting the norms and standards of the post-Kyoto process. Finally, an intriguing case of interlevel cooperation is taking place between national, regional and global actors, which should be possible to follow in other issues.

Sustainable use of transboundary waters: the case of the Mekong and the Zambezi

Some 40% of the world’s population lives in internationally shared river basins, people whose survival depends on effective management of these transboundary water resources (Nicol and others 2001). Shared watersheds have local and national dimensions, but they also constitute one of the core regional public goods, usually referred to as a common pool resource good—that is, non-excludable but rivalrous. Such public goods are challenging to supply, and there are huge risks of considerable negative externalities arising from the (unsustainable) use of shared water resources. The increasing strength of environmental principles, such as “green lenses” and the Rio-Dublin Principles, has resulted in the paradigm of integrated water resource management (IWRM), seen as the best way to deal with adverse environmental spillovers and as a more ecologically sustainable use of transboundary water resources. IWRM is founded on the principle that shared river basins are a single ecological unit, whereby natural resources, especially water resources, should be managed in accordance with what is best for the basin as a whole. It is
promoted, at least in theory, by many important actors and donor agencies around the world—the Global Water Partnership, United Nations and US Agency for International Development.

**State-centrism and sectoral segmentation.** Many of the problems and adverse environmental spillovers in the Mekong and the Zambezi river basins are directly related to the failure to deal with two important requirements of the IWRM approach: cooperation among riparian states to prevent individual countries from exploiting common resources and integrated and cross-sectoral water management to deal with sectoral segmentation and compartmentalization (within and between countries).

A similar state-centric logic prevails in both the Mekong and the Zambezi basins. Each riparian state monitors, assesses, plans, develops, conserves and protects the water resources within its own territory with little consultation or cooperation with other riparian states. The diverging policies and plans are usually incompatible, and particularly important is that upstream and downstream users do not consider the problems of each other. “The basin stops at the national border”.24 This orientation is not necessarily detrimental in every respect, but it increasingly results in waste, ecological mismanagement and unrealized potential because it prevents regional cooperation and is ineffective in that it targets specific groups in society, typically the ruling elite.

The second main obstacle counteracting IWRM is sectoral segmentation. During colonialism and in the immediate decades following independence up until the early 1980s, there was important cross-fertilization between different sectors. Ever since, however, the management and bureaucratic policies of the riparian states (and of donors) have been characterized by a strong sectoral segmentation and compartmentalization.

State-centrism and sectoral compartmentalization are particularly related to the bias towards energy production. In both the Mekong and the Zambezi basins the upstream countries are using their territorial position in order to generate maximum energy production, particularly by constructing as many dams as possible. For example, the Mekong River reached a record low in March 2004 caused by a series of giant dams and engineering works, especially in China. “If all these dams go ahead, the river’s hydrology will be significantly altered, and no one can begin to understand the social or ecological consequences. China can do what it wants with impunity. It is a dangerous situation” (*The Guardian*, 25 March 2004).
Similarly, upstream Zimbabwe shows little interest in the basin-wide Zambezi River Basin Commission or the IWRM approach simply because a strengthening of these initiatives would affect its predominant status within the Zambezi River Authority, which is a limited venture involving only Zambia and Zimbabwe and is heavily geared towards energy production (Turton 1998).

In essence, riparian states are not prepared to make sacrifices for sharing water resources with others or for the benefit of others. Sharing requires a minimum sacrifice of sovereignty and an acceptance of a community interest.

The future of IWRM and interlevel cooperation.

Donors and external actors play an important role in the management of the Mekong and Zambezi river basins. In the past many donors have supported and reinforced the countries’ projects in both Africa and Southeast Asia. In so doing they have reinforced the nationalist strategies, which have resulted in the division of the river basins in the first place. In theory IWRM counteracts fragmented river basins. However it has not achieved the desired results. It is only strong in certain parts of policy-making circles in developed countries, and it has no strong impact on the management of the two basins (Öjendal 2000; Nicol and others 2001).

Donors are very much to blame for the lack of success. In fact both the prevailing nationalist orientation and the sectoral segmentation have been reinforced by the modus operandi of the international donor community. For example, within Sida, one of the major donor agencies operating in basin, there is a separation and lack of communication between the desk for regional and national water affairs, which clearly has prevented a move towards an IWRM. Most donors lack a coherent strategy for tempering national and regional concerns. The ecologically sustainable and more cooperative basin-wide IWRM approach is often difficult to pursue because few stakeholders, including donors, have the means and mandate to operate outside their national contexts. As an official at a large non-governmental organization put it: “We try to manage our side and hope they manage theirs.” It seems that too little emphasis has been placed on the fact that IWRM challenges the same forces and actors that have created the competitive dynamics of state centrism and sectoral segmentation—especially in the basin countries, but also within the donor administrations. Theory sug-
gests it is difficult to promote collective action around a common pool resource. But the failure to do so is detrimental to the environment.

It is problematic that donors spend so little of their funds on transboundary financing. “Major international donors like the World Bank recognize the importance of transboundary management, but still devote relatively few resources to this type of public good. The picture that emerges is that international financial support to transboundary water management is rather piecemeal and scattered” (Nicol and others 2001, p. iii). Regional institutions need to be strengthened. Particularly important is to develop principles for sharing water resources and costs and benefits and for decision-making, participation and enforcement mechanisms to facilitate the common good. Strengthening regional institutions should not be done at the expense of national capacities and institutions (Nicol and others 2001). It is instead necessary to work on a two-pronged, multilevel front in which regional institutions are strengthened hand-in-hand with national capacities.

**Halting the spread of communicable diseases**

Health, like peace, is often brought up in the discussion of GPGs, and it figures prominently in the new security debate focused on human security. The most relevant aspect of this debate is that it reveals the inadequacies of the old state-centred system and the imperative need for cooperation among states: “in a regional setting, states have a self-interested obligation to their counterparts to act in such a manner as to not threaten regional stability and prosperity” (Curley and Thomas 2004, p. 29). Health is a case in point.

This debate illustrates the transition from Westphalia to post-Westphalia because global public goods for health have been described as a post-Westphalian concept (Fidler 2004). The most obvious reason for this is that germs do not recognize borders. “Germ globalization is permanent, while the borders are the transitory phenomenon” (Fidler 2004, p. 14). In short a borderless public bad needs borderless governance to create a global public good—whether better control over the AIDS pandemic or prevention of further disease outbreaks and the reemergence of such infectious diseases as malaria, smallpox and tuberculosis.

Communicable disease control has been increasingly centralized and globalized over time. Regionally endemic diseases have become pandemic. Paradoxically, the technology of communication has developed
in parallel to or in advance of control. The autonomy of the regional dimension is thus very limited and ambiguous. The focus here is on the transition to a post-Westphalian perspective—that is, international to global health governance. The relevant diseases are AIDS, SARS and avian influenza. However, older epidemics, believed to have been conquered by the Westphalian health system, tend to make a global return. This analysis focuses on the SARS epidemic and the regional context in which the outbreak took place in the spring of 2003.

**The political pathology of SARS**

As the first post-Westphalian pathogen, SARS provides an excellent case study of the transition of public health governance on infectious diseases from the traditional Westphalian framework to something new. The issue here is whether the new implies global or regional governance, or a combination of the two. This contribution’s answer is the latter. In the case of communicable disease the regional dimension is particularly intriguing, albeit in different ways. AIDS is a global challenge that has distinct regional characteristics and therefore should be dealt with globally but with a view to the specific regional problems on the various regional arenas in which the disease appears. The avian epidemic, on the contrary, is a communicable local and regional disease from bird to bird, and from bird to human, but there are uncertainties about the spread from human to human. SARS, which also first jumped the species divide to become a local human disease and then entered an airplane, became a regional challenge with global impacts. SARS is a viral respiratory illness that was recognized as a global threat in March 2003, after first appearing in Southern China in November 2002. SARS travelled to Toronto, where (for being outside the region of origin) a large number of people contracted the disease. During November 2002 through July 2003, a total of 8,422 people worldwide became sick with severe acute respiratory syndrome that was accompanied by either pneumonia or respiratory distress syndrome (probable cases), according to the World Health Organization (WHO). Of these, 774 died.

The outbreak took the world by surprise, and panic was often near. The damage limitation was possible to achieve in spite of rather than because of the current form of international governance in global health. The policy measures were on the whole reactive rather than proactive. The most important national actor actually took measures to hide rather than disclose what was going on. The delay in report-
ing from China was from November 2002 to February 2003. Other countries in the region were more concerned with the damage to tourism than the damage to public health. In retrospect, the outbreak was managed in a very effective way, and the lessons learned are all important for the future development of global and regional public health governance.

The limits of Westphalia

The WHO, an international (rather than global) actor on a national arena, was very frank in its criticism of China—not only for hiding the extent of the outbreak, but also for allocating too little resources for national public health. This “radical break with traditional diplomacy” (Fidler 2004) shows that international actors can take on global roles—that is, to move beyond the Westphalian logic in a situation of emerging crisis when the old rules do not apply. It is hard to find any policy area where national secrecy, justified by sovereignty, is more damaging for all interests involved. To cover up starvation, torture, even genocide may be possible, but communicable diseases are part of the globalized condition. Fortunately this was ultimately realized in Beijing. What if this had happened in North Korea or in a collapsed state, or for that matter in a system (Taliban-type of system) rejecting modern science and a rational scientific approach to public health? The Chinese volte face was a genuine embarrassment for the regime, but any alternative to the admitting of the mistake by trying to cover up the outbreak of disease would have been worse.

China is a large country—almost a region by itself—and in many areas the approach would have to be regional, an issue discussed further in this paper. SARS was reported in 21 of China’s 31 provinces. This was at least half the cases of the world, so the disease can be said to be a regional disease. The measures actually taken in China were massive. The type of regime was appropriate at least in this situation (when the danger was realized), or as it has been said: “China is as good at fighting SARS as at hiding it” (Chen 2003). As far as institutional efficiency is concerned, the same can be said about authoritarian countries such as Singapore and Vietnam. If the disease had spread to Africa instead of Canada, the international campaign would have been more problematic. It is paradoxical that the measures (surveillance, isolation and quarantine) were the traditional; it was the organizational (post-Westphalian) approach that was new. China acted
in a Westphalian manner in a post-Westphalian world (Chen 2003, p. 107). But information leaked out (Internet, e-mail, mobile phone). China could not control the flow of information. At the same time it did not, which is significant, act wrongly in terms of international law. This underlines the need for a qualitative transformation of the global health system.

*From international to global health governance*

Infectious diseases are threatening, particularly when they are unknown. This is why relevant actors tend to take on new roles, in this way increasing their actorness. A good example is provided by the WHO. The WHO may be seen as a global actor, but it is by its constitution Westphalian rather than post-Westphalian. It reflects the principle of international governance (between and among states) rather than global governance, which among other things would include other actors than states, such as multinational corporations (MNCs) and NGOs. In the triangle drama between state, market and civil society (a common framework in social science), the WHO represents the state, whereas AstraZeneca and Médecins Sans Frontières can represent market and civil society, respectively. When the WHO was created in 1948 regular relations with NGOs were planned for in its constitution, but this official communication process has by now become anachronistic, as most contacts take place informally in a network type of organization (Fidler 2004, p. 52). The major tension is between NGOs and MNCs, as exemplified by the International Baby Food Action Network and the Campaign for Access to Essential Medicines (organized by Médecins Sans Frontières), both relatively successful. The fact that the major struggle goes on between two types of non-state actors shows to what extent the post-Westphalian logic reigns supreme. On some occasions so-called “public-private partnerships” between state actors and NGOs are created—one important example being the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund). According to Fidler (2004, p. 55), “the concept and structure of the Global Fund are as un-Westphalian as one could imagine”. It is not a treaty-based organization in contrast with UNAIDS. States do not dominate the arena because of the formal governance participation of the NGOs. The Global Fund redistributes resources from rich to poor countries and uses a vertical
approach, different from horizontal strategies typical for Westphalian public health.

The potential of regionalism

What are the implications of this case for regional cooperation? The SARS epidemic has been described as a threat to regional security (Curley and Thomas 2004). The ASEAN was one of the actors of this drama. This is particularly interesting because ASEAN has been seen as the guardian of Westphalian principles of non-intervention. SARS was another eye-opener coming after the Asian financial crisis discussed above (as well as the forest fires in Indonesia—“the haze”). Thus a comparison between AFC and SARS makes sense, not only because of the economic damage to the region. SARS gives an opportunity to study “the effectiveness of the organizational response at the regional level” (Curley and Thomas 2004, p. 21). About this response, it has to be acknowledged that it was feeble and above all late. However, after China admitted its mistake in hiding the disease and changed political strategy, an impressive diplomatic activity began.

Among the countries of ASEAN, Thailand in particular understood the regional nature of the crisis and therefore called for regional responses. These were not as rapid as those taken by the countries in the region, which has to do with the confusion regarding the competence of competing regional organizations: APEC, ASEAN and ASEAN Plus Three (APT). Both AFC and SARS were new types of challenges, and they left behind a new institutional framework to deal with regional crises. In this way ASEAN can be compared to the WHO in the sense that the urgency of the crisis forced it to move beyond the Westphalian framework and to increase its actor-ness. Lessons were also carried over from the Asian financial crisis to the fight against SARS. One lesson was to find the relevant national network, which was APT, more relevant in terms of composition. A second was to permit an increase in actor-ness, for the sake of general effectiveness, including the power of putting pressure on slowly and reluctantly reacting countries. A third was to allow for necessary institutionalization—to develop sectoral and intersectoral mechanisms both nationally and regionally. During the spring of 2003 an impressive number of meetings of ministers, bureaucrats and experts were held within ASEAN and APT. It is significant that civil society organizations and business were drawn into the emerging networks.
also, suggesting a new style of regional cooperation more in line with what happens in the rest of the world.

Conclusion

The limited SARS epidemic had major consequences for global public health governance and control of communicable diseases as a public and regional good. It revealed the weaknesses in the Westphalian health system, underlying the need for a substantive strengthening of the global infrastructure both in terms of effectiveness and actorness—an autonomous capacity to act independently of the countries constituting the organization. At least the whole is larger than the parts. This also goes for the regional organization. In Southeast and East Asia there are competing organization; and the SARS crisis not only discriminated between more and less relevant organizations, but also started a process towards increased actorness on the regional level. A good global public health system badly needs effective organizations on the national, regional and global levels—an interlevel structure with relevant degrees of actorness on each level relative to its specific tasks.

In order to be effective regionalism must serve the collective interests of the constituent nations rather than being an expression of their conceived national interests, in which case they will be working at cross-purpose in their attempts to solve problems and respond to global and regional challenges. The cases of EU and security challenges and ASEAN in financial and health crises are illustrations.

Policy conclusions and recommendations

This section develops policy recommendations for how regional cooperation should—and should not—be used to address global and regional challenges. First, it provides general observations and recommendations based on cross-sectoral analysis. Second, it gives specific and operational recommendations for providing each of the GPG area identified as priority by the Task Force. These are based on three fundamental considerations: the comparative advantage of regional cooperation, the provision of goods in ways that take advantage of interlevel links and reduce policy incompatibilities between levels and the design of appropriate institutions to implement policies. Certain forms of regional cooperation can contribute to the solution of global challenges. Third, it deals
with regionalism and world order, putting policy into context. It also points out specific contributions from individual GPGs to the making of a global public policy.

**General observations and recommendations**

Several observations and recommendations flow from most, if not all, of the global public goods identified by the Task Force. In evaluating the effectiveness of regional cooperation it is fruitful to distinguish between higher order multidimensional (multipurpose) organizations with a certain degree of actorness—that is, with independent powers to plan and implement regional cooperation for public goods provision—from lower order unidimensional (single-purpose) institutions acting on a mandate and with restricted tasks. Actorness can be used for quite different and counterproductive purposes other than providing public goods. Most often it does not make sense to weigh regional provision of public goods against global or national provision of public goods. Rather, it is some form of division of labour between them that is optimal. This, however, may change from one good to another.

**The role of institutions**

Many forms of regional cooperation are desirable but ineffective. Increased effectiveness depends on a range of factors, not simply increasing resources. It is critical to understand the nature of the public good and to improve institutional design. Institutional design is a complex issue because, even with a given public good, the institutions used to facilitate its supply can vary. Yet they need to be effective and facilitate cooperation. Institutions should:

- Accommodate and respond to states’ quests for sovereignty.
- Prevent regional cooperation from being hijacked and used for purposes other than providing public goods.
- Decrease the prevalence of free-riding and defection.

In many areas the level of institutionalization is far too weak to make regional contributions relevant. On the other hand, the belief in (formal) institutions is a European tradition and probably a bias. Institutionalization is drawing on the European experience, but in Asia, for example, it cannot go much deeper than the Asian model of informal consensus building allows. The result is “soft institutionalization”. The
informal approach of Asia could also contain a lesson showing how to curb the excessively bureaucratic approach of Europe. The growing role of networks shows the way to a compromise between the community method and the ASEAN way.

Actorness and effectiveness

It is necessary to examine the problems of regional cooperation and the underlying interests of involved actors. This is important because regional cooperation does not necessarily occur in order to satisfy public goods, but for several reasons, including the achievement of private goods and more myopic personal interests or regime survival. In fact regional agents might have other preferences than what is stipulated in the public goods discourse—and might not react to typical incentive structures. Under such circumstances, it is misleading to assume that actors will provide public goods only if the correct incentive structure is created. Neither will it be possible to facilitate the provision of regional public goods from the outside (thus implying that certain kinds of regional cooperation do not deserve external support).

Multidimensional organizations with the freedom to manoeuvre must be judged from a normative and political perspective, whereas unidimensional organizations can be replaced or reformed depending on their performance. With deeper institutionalization, unidimensional organizations can be changed into multidimensional organizations.

An ideal situation prevails when there is a balance between the policy dimension, implying a certain degree of independent decision-making and room for manoeuvre, and the operational dimension, implying a task-oriented professionalized machinery for implementation. Too often policy-oriented institutions are simply “talking clubs”, and the more bureaucratic institutions have a narrow mandate and little flexibility. The ideal model thus combines reflexive flexibility and the capacity to act with purpose (actorness).

Interlevel mechanisms

The Task Force defines international public goods (regional and global) as important issues that must be addressed on a collective and multilateral basis. This suggests the principle of subsidiarity. But this principle should not be carried too far, at least if it is understood as “decentral-
ization”, because many issues require cooperation between levels. An interlevel approach implies that the challenge is not to find the appropriate and optimal institutional level as such (at the lowest possible level), but to find the most appropriate division of labour between the levels (since every global public good identified by the Task Force has national, regional and global dimensions).

The comparative advantages of regional cooperation differ from one good to another. In most areas where public goods are underprovided, there is, however, a specific role for regional cooperation within an integrated multilevel or interlevel approach—a system of management in which national, regional and global institutions are interlinked and perform specific functions. In some areas where there are predominantly win-win solutions, such as communicable disease control, environmental protection and knowledge formation, the institutional design is simply one of effectiveness, and those institutions that are lacking must be created or reformed. In more politicized areas—such as security, trade or financial stability—there may be policy incompatibilities between the three levels, incompatibilities that must be removed or at least reduced through a political process. Thus, to be effective in the case of more controversial areas, links between the levels require a higher degree of pluralism in policies.

Policy recommendations for providing global public goods

This paper’s specific and operational recommendations pertaining to each of the GPG areas identified as priority by the Task Force are based on three considerations:

- The comparative advantage of regional cooperation.
- The provision of goods in ways that take advantage of potential interlevel links and reduce policy incompatibilities between levels.
- The design of appropriate institutions to make this effective and sustainable, focusing on organizations that combine reflexive flexibility with purposive implementation.

Promoting the gains from trade

- There is a comparative political advantage of regionalism in trade compared with conventional multilateralism as it is presently being practised. Regionalism might become a stronger
force in coming decades, particularly if the multilateral trading system is not fundamentally transformed. But its full potential can only be achieved through a more comprehensive and fair development-oriented regionalism that goes beyond narrow trade liberalization and provides a link between trade integration and other economic and non-economic sectors.

- Trade regionalism needs to be integrated within an interlevel approach, where regional and multilateral trading arrangements are complementary, not competing.

- Institutional and technical capacities of regional trade organizations in the developing world need to be strengthened—for example, as in SADC, ECOWAS, CARICOM, Andean Pact, Mercosur and ASEAN—in order for them to develop policies and assess consequences of various types of trade relations and negotiations (multilateral, interregional and intraregional).

Promoting the gains from knowledge

- Regional cooperation in the promotion of knowledge has many comparative advantages—especially in Africa, where national knowledge and research structures are weak. Regional cooperation enables partners to pool resources and capacities for a series of purposes, such as information sharing, networking and economies of scale. There is, however, a need to further assess the cost-effectiveness and relevance of different types of regional research cooperation.

- The usefulness of regional cooperation for knowledge and capacity building depends on the problem and the particular capacities at other levels (global and national). Regional cooperation needs to be integrated within an interlevel and holistic approach.

- Regional cooperation in research requires a different institutional approach than that used today. An appropriate approach should be built on a long-term perspective, flexibility and willingness to learn from mistakes, core support for regional institutions rather than short-term project and programme support and sensitivity to the cultural and political environment and context.
Preserving peace and security

- It is important to strengthen the regional actor in different phases of the conflict circle, not only the peacekeeping phase. Post-conflict reconstruction in particular is poorly understood, underfinanced and generally neglected. A regional integration approach is needed to make this process sustainable.

- The optimal form of peacekeeping combines the legitimacy of multilateral (UN) interventions and sanctions with the efficiency of regional interventions. Although they need to be relevant for their own specific types of security threats, there should be some kind of multilaterally acknowledged rule system in order to prevent abuses. The interlevel approach can be sequenced, since multilateral operations take more time to organize than do regional operations.

- The institutional backing for regional conflict management is at best embryonic. There is an urgent need to financially support the establishment of specialized security units within—and firmly under the control of—the emerging regional organizations.

Ensuring financial stability

- Regional monetarism is growing in importance due to deficiencies in the global financial architecture. The unprecedented mobility of capital makes an exclusively regional solution impossible. A global approach is essential and should be the ultimate goal. The multilateral system must in fact be multilateralized. However, to the extent that it is asymmetric, there will probably be substitutes developing on the regional level. Thus multilateralism should be combined with pluralism to expand the menu of macro-economic choices.

- Alternative structures should be compatible with financial stability as a global public good. In other words, the mechanism must be an interlevel mechanism. The IMF could work with regional monetary funds, much as the World Bank works with regional banks.

- Because not enough capital is available at the regional level for supporting countries in financial imbalance, regional organizations should focus on surveillance and prevention of crises. Re-
gional arrangements should cover all relevant national players. For example, in the case of ASEAN Plus Three it is a problem that Taiwan Province of China is excluded for geopolitical reasons.

**Preventing adverse environmental spillovers**

**Global climate change:**
- Regional cooperation can fill the policy gaps and failures of multilateralism and enhance implementation of global public goods. A similar role must be performed for other GPGs.
- There must be cooperation and synchronization between multilateralism and regional cooperation. The national level is also important because regional cooperation mediates global and national mechanisms.
- Regional organizations should coordinate the Kyoto Protocol within their regions, possibly through a strategy similar to the European Union’s—through “soft enforcement” and “the open method of coordination” built on best practices and benchmarking.

**River basin management:**
- Regional cooperation guided by IWRM is necessary to prevent adverse environmental spillovers in transboundary river basins. State-centric regional cooperation or non-cooperation will almost automatically result in adverse environmental spillovers.
- Regional institutions should be strengthened along with national capacities, complemented by the power and expertise of such global institutions and actors as the Global Water Partnership and the donor community.
- Political power and financial and other resources necessary for the development of effective transboundary institutions must be mobilized, particularly emphasizing principles for sharing water resources and principles for decision-making, participation and enforcement mechanisms to facilitate the common good. Most river basin institutions in developing regions need support.

**Halting the spread of communicable diseases**

- The potential of regional organizations is largely neglected in the field of health. They can assess the lessons from the SARS
epidemic, encourage the development of a public health dimension to the new regional organizations and clarify the specific roles for different types of regional institutions, particularly the prevention of the spread of contagious diseases.

- A multilevel action system for the provision of global health, specifying the optimal role for each level (local, national, regional and global) must be designed. Early action is essential. A more proactive and independent role for global actors should be further developed. The post-Westphalian informal networks and the new roles for older institutions such as the WHO should be acknowledged and formalized.

- Basic local, national and regional infrastructures are essential for a global health policy. Cross-country networks and organizations with a certain degree of independence must be supported or, where they do not exist, established.

**Towards global public policy?**

A pattern is emerging among the areas examined in this paper. It has become increasingly evident that shared water resources are mismanaged and used in an unsustainable manner, with implications for public health. This is only one of many links—financial and political stability, security and development, trade and environment, knowledge and health. In fact the areas highlighted by the Task Force constitute a comprehensive global public policy that represents the new meaning of global development and facilitates the achievement of the Millennium Development Goals.

This paper has also shown that regionalism goes far beyond regional cooperation by having an impact on global order. Stiglitz (quoted in Kaul and Mendoza 2003, p. 106) has referred to “efficient government” as a public good. The same should apply to the principle of good governance and, in consequence, world order. Again, the problem is how to move from the national level to the global, where no overall authority exists. There may even be contradictions between levels of governance. A global public policy must minimize such contradictions, which implies strengthening the regional level. The global level is still too disorganized and politically heterogeneous, and the national level is rarely sufficiently responsible from the perspective of the whole.

That one major power can contribute to world order has been argued by the theory of hegemonic stability dictating the need for one
hegemonic leader to provide the rules of the game. In the post-war period the United States has successfully exercised hegemonic power in upholding the multilateral order. Multilateralism as a mode of global governance is, however, currently in retreat. Europe can reverse this unfortunate trend by continuing its pursuit of organized cooperation between world regions. This goal presupposes a rules-based relationship among regional partners or “interregionalism”. This model visualizes a global order of cooperating regions. However distant such a prospect might seem, it is relevant to explore the long-term global implications of the institutionalization of regional and interregional relations in search of order.

The overall purpose of interregionalism is to make the external environment of Europe—that is, the rest of the world—more stable and more predictable from Europe’s regional perspective. The significance of this experience is that interregional institutions have the potentiality of shaping, through intersubjectivity and mutual learning, the outlook of regional civilizations towards compatible patterns of coexistence.

The European regional integration model, due to its strong focus on the role of institutions in Europe’s own integration process and on the importance of institutionalized interregional relations, represents a potential world order. The relevant contrast and currently predominant trend is US unilateralism based on perceived national interests, contradicting basic principles in the EU external policy. The future of regionalism depends very much on the outcome of the struggle between these two contrasting world order models. It is important to note that the differences do not express differences of geography—Europe versus the United States—but are contrasting world order principles held by different political groups existing in both areas.

Notes

1. The perspective applied here is that of an economic-historical dialectic between the deepening and extension of the market principle and recurrent political attempts to regulate the economy in the interest of society. An expansion and deepening of the market is understood to be followed by a political intervention in defence of society; the expansion of market making the first movement, and the societal response the second (Polanyi 1957, 2001). Stiglitz (2001, p. xi) prefaced the most recent
2. Similarly, the involvement of non-state actors has also become more emphasized in the public goods debate. A broad generalization that seems to make sense is that of “recognizing public goods as multi-actor products” (Kaul 2003, p. 5). In fact, multi-actor networks, and to some extent non-state coalitions, may be more efficient than state actors in producing public goods and addressing transnational challenges. There is a knowledge gap concerning what this really means for the effectiveness of regional cooperation.

3. According to Castells (1996), this is the key to why the European Union is functioning.

4. The concept of “actorness” of the European Union is developed in Bretherton and Vogler (1999). Actorness is closely related to “regionness”. When different processes of regionalization in various fields and at various levels intensify and converge within the same geographical area, the cohesiveness and the distinctiveness of the region increase. This process of regionalization can be described in terms of levels of regionness—regional space, system, community, society and regional institutionalized polity. Increasing regionness implies that a geographical area is transformed from a passive object to an active subject—an actor—capable of articulating the transnational interests of the emerging region (Hettne 1993, 2003; Hettne and Söderbaum 2000).

5. Institutions are often confused with organizations. Institutions or, perhaps more precisely, social institutions imply a patterned, predictable behaviour and a system of rules. Organizations may possess or lack these characteristics. They can be created quickly and might not be effective in supplying a good. Institutions, on the other hand, take time to build because they are internalized and created by human thought and practice. Many regional bodies, for example, are simply organizations, but a few are also social institutions because they take on a political life of their own and shape economic, social and political behaviour.

6. Still, the operational experience of unidimensional organizations is rather mixed. They have worked reasonably well in stable contexts and with the help of well resourced participants, but their records are mixed or quite poor in developing countries. This is explained by an often unclear mandate, weak management and lack of funding and commitment by participants. There has also been duplication of activities between various schemes.
7. Cook and Sachs (1999) draw attention to several areas—health, environment and financial stability—that involve real and potential regional public goods. But they tend to move beyond regional public goods and highlight the level as problematic: “In each of these areas public goods arise at all levels of governance: international, regional, national and even local” (p. 440).

8. Alternatively, the security agenda can be substantively broadened to encompass human security, also a current trend.

9. The victims of the World Trade Center terrorist attacks in 2001 were citizens from 62 different countries. The Taliban and al Qaeda combatants imprisoned at Guantanamo Bay in Cuba are from some 30 countries.

10. Peacekeeping as a concept is changing with the transformation of the global system, the geopolitical situation and the world order. Traditional peacekeeping was meant to facilitate a ceasefire by acting as an interposition force. More recently, peacekeeping has taken place in humanitarian emergencies in which a higher degree of actorness is expected from the organization carrying out the operation.

11. A controversial question today is whether a public good such as peace can be imposed by external actors through humanitarian interventions. Although common during the nineteenth century in Europe (with less emphasis on humanitarianism and more on order) and during colonialism outside Europe, such intervention is not consistent with the UN charter after 1945. Despite this there have been repeated cases of intervention not consistent with international law, indicating a change in world order. There is a radical libertarian doctrine of intervention in support of democracy using the public goods argument. This argument gained increasing support during the 1990s, but is now tested—and questioned—in Iraq.

12. The dividing line between Europe and non-Europe is ultimately a political issue. To define the Balkans as non-Europe might be tempting, but it is politically incorrect and dangerous.

13. In the Bosnian crisis every conceivable security organization (the EC troika, United Nations, NATO, Organization for Security and Co-operation in Europe) gradually became involved in a sort of trial-and-error process, ultimately forming an ad hoc group of great powers—rather reminiscent of the nineteenth century type of power-balance politics known as the Concert of Europe—that took over the negotiations (plurilateralism).

14. Kosovo was important for crisis management in Europe and for the changing legal status of intervention in humanitarian emergencies.
The NATO intervention bypassed the United Nations because a veto was expected in the Security Council. The subsequent Independent International Commission on Kosovo took a bold approach in acknowledging the possibility of external intervention by a “coalition of the willing” (here called plurilateral intervention) even without multilateral (UN) sanction. The Kosovo report concluded that this intervention in the light of then existing international law was “illegal” but “legitimate” (IICK 2000).

15. Bosnia and Kosovo are often described as protectorates, whereas Macedonia is seen as walking on its own feet—with significant help from the European Union.

16. The discussion on the Darfur crisis unfortunately repeats earlier mistakes: late reaction, uncertainty about the responsibility to act and so on. The United Nations is going through a period of credibility crisis. The United States is busy in Iraq and Afghanistan. The European Union is divided and passive. The Arab League is reluctant. And the African Union lacks resources.

17. According to Griffith-Jones (2003, p. 448), “such entities are particularly relevant in areas such as regional surveillance, coordination of macroeconomic policies and mechanisms for liquidity provision. Regional mechanisms can also strengthen the bargaining position of developing countries.”

18. “The creation of [the European Monetary System] has never been treated as a narrow economic issue; and contemporary economists are usually ill at ease with questions of power and prestige which do not lend themselves to quantification” (Tsoukalis 1997, p. 163). See also Dosenrode (2002).

19. Barrett (2006, p. 37) observes that “with a single currency, fiscal indiscipline in one state has implications for others.” There might also be a more complicated situation in which there is genuine disagreement about the correct economic policy. Is financial orthodoxy or some kind of neo-Keynesianism the need of the day?

20. The problem of too much orthodoxy and too little flexibility is also problematic within a region, illustrated by current tensions in the Economic and Monetary Union stability pact.

21. As of 15 April 2004, 84 parties have signed the Kyoto Protocol, and 122 parties have ratified or acceded to it—together accounting for 44.2% of total greenhouse gas emissions.

22. The Clinton administration signed the Kyoto Protocol, but the Bush administration states that it is not in the national interest, claiming
that the long-term solution to global climate change is in the development of new technologies rather than emissions reductions. It also emphasizes voluntary reductions rather than binding agreements.


27. This is not because of the relative importance of SARS. AIDS has a comparatively long history. Forty-two million people are infected, of which 90% live in the poorest countries of the world. Africa dominates the picture, to be replaced by Asia in the future. It is an epidemic that affects society politically, economically and socially. Reduced production, widened economic, social and cultural gaps and increased political instability are some of the negative effects affecting entire societies and regions.

28. Of 8,422 cases in 30 countries, 5,327 were in China (with 1,755 additional cases in Hong Kong), 665 in Taiwan, 238 in Singapore and 63 in Vietnam. Outside the region Canada had 251 and the United States 33.

29. SARS is caused by a previously unrecognized coronavirus called SARS-associated coronavirus (SARS-CoV). The primary way that SARS appears to spread is by close person-to-person contact. SARS-CoV is believed to be transmitted most readily by respiratory droplets (droplet spread) produced when an infected person coughs or sneezes. This puts health workers at high risk. In addition, it is possible that SARS-CoV might be spread more broadly through the air (airborne spread) or by other ways that are not now known. The incubation period for SARS is typically two to seven days. Persons with SARS are most likely to be contagious only when they have symptoms, such as fever or cough. Patients are most contagious during the second week of illness.

30. As a reminder is the news that polio was spreading in Africa due to refusal by the northern Muslim states in Nigeria to accept Western medicine. This situation now seems to be under control.

31. APT is emerging as a new regional formation, actually socially constructed in the process of maintaining an interregional relationship between Asia and Europe (Gilson 2002).

32. APEC proved to be irrelevant due to its limited mandate, concerned as it was with free trade. This shows the shortcomings of unidimensionality.
33. This disciplinary function can be seen most clearly in the European Union acting against individual member countries in the case of the Kyoto Protocol.
34. On 26 April a Ministers of Health special Meeting of APT was held in Kuala Lumpur. It announced a number of measures to be carried out regionally and in individual countries. On 29 April there was a special ASEAN Leaders’ Meeting in Singapore with further announcements about establishing networks for information and arrangements for health control (in spite of objections from Cambodia, Laos and Myanmar). On 8–9 May the annual ASEAN Labour Ministers’ meeting was devoted to the SARS threat and also met their counterparts in the Plus 3 countries. On 15–16 May APT airport officials met in Pampanga in the Philippines to discuss how to prevent the spread of SARS through civil aviation. On 2–3 June the APEC trade ministers met in Khon Kaen in Thailand to assess the economic damages. The list of meetings could be made longer, but suffice it to make the point that SARS was a mobilizing experience as far as regional cooperation is concerned.
35. Defence, for instance, is seen as a national public good, but on the regional and global levels order and stability are of greater importance. Maximizing national defence, on the other hand, implies dysfunctions known in peace research as “the security dilemma”.
36. Interestingly, this comes from the theory of financial stability developed by Charles Kindleberger (1986).

References


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