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**European Regionalism in Copmparative Perspective:
Features and Limits of
the new Medievalism Approach to World Order**

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European Regionalism in Copmparative Perspective: Features and Limits of the new Medievalism Approach to World Order

Sergio Fabbrini¹

Introduction

Several interpretations (or paradigms) have been elaborated for understanding the post-Cold War developments of the international system. Two in particular deserve to be considered. On the one hand, the ‘new’ regionalism interpretation (very influential in the 1990s) has hearkened back to Hedley Bull’s analysis (Bull 1995) of a ‘New Medievalism’ to replace the existing system of states (Gamble 2001; 1993). The European Union (EU) and other experiences of regional integration such as the Association of Southern Asian Nations (ASEAN), the Asian Pacific Economic Cooperation (APEC), the Mercado Comun del Sur (MERCOSUR) and the North American Free Trade Agreement (NAFTA) have been interpreted as new forms of international power in company with a panoply of different types of inter-governmental organizations.

Their very existence has strengthened claims that the Westphalian system of states is being supplanted by a fragmented post-Westphalian order with no clear locus of power. On the other hand, the ‘empire’ interpretation (very influential in the first half of the 2000s) has hearkened back to the old view of a homogeneous world controlled by only one country (Ferguson 2003), in this case the only super-power remained in town after the collapse of the Soviet bloc, the United States (US). In many regards, the two interpretations have competed for establishing the predominant paradigm not only within the disciplines of international studies but also in the larger attentive public. The first has advanced the rationale of a post-modern understanding of the world, the second has re-affirmed the hard reality of modernity. International developments of the 2000s have brought the empire paradigm to its end. However, it is the aim of this paper to show that also the other paradigm is much below its interpretative ambitions.

Between Empire and New Medievalism

The empire paradigm has been based on the very realistic assumption of the unipolar nature of the international system emerged from the end of the Cold War. In the new unipolar system, it seemed that the US could shape the world with its interests and values. Especially with the arrival to governmental power of neo-conservative politicians (after the presidential election of 2000, the neo-cons came to control both the presidency and the Congress), this paradigm came to be shared by large sectors of world public opinion, and not only by academics. Giving up the post-war politics of self-restraint after September 11, 2001 the neo-conservative coalition tried to make unipolarity the

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condition for building a new predominant, if not imperial, role by the US at the global level. The Iraq invasion in 2003, against the will of the UN Security Council, epitomized this attempt of creating a new international order based on the undisputed military and economic strength of the US. Indeed, in the neo-conservative circles, in order to justify the unilateral doctrine, (democratic) empire began to become part of the political discussion (Daalder and Lindsey 2003). Among the supporters of the new American strategy, there was an increased interest in past imperial experiences and attempts to rehabilitate empire as a form of political rule and basis for international order (Ferguson 2003).

In any case, a comparative literature on democratic empires has flourished in the 2000s (O'Brien and Cless 2002; Mead 2007). At the same moment, the denunciation of US empire became very soon the leit motif of the most radical critics (Hardt and Negri 2001). For both supporters and critics, while previous imperial ages were characterized by a competition between empires, the post Cold War version was seen almost exclusively in terms of the unchallenged military and economic dominance of the US. The future was perceived to be either one of the end of history and geography (Fukuyama 1993) or one of a battle between the imperial basis of globalization and forms of localized and fundamentalist resistance (Barber 1995; O'Brien 1992).

At the end of the 2000s, the empire metaphor appears to have lost any significant appeal. Certainly, there is little dispute that by a range of indicators – from military might (and spending) to size of the economy – the US continues to be the only existing global power (Ferguson 2005). The international system continues to display an uncontested unipolar feature at the military level. However, unipolarism has not created a world at disposal of the US. The failure of the US invasion of Iraq has shown that American 'hard' power is not sufficient not only for bringing order in the international system but even for settling domestic conflicts.

Indeed, one might even argue that the use of hard power, when disconnected from a concomitant use of 'soft' power as it happened in Iraq (Nye 2004), has contributed to increase, rather than to tame, chaos and violence in the world (Hoffman 2006). Moreover, the empire metaphor has failed in interpreting the domestic nature of the empire. As it has been frequent in the past for many critical observers of the US, the democratic nature of the latter's domestic politics was dramatically downplayed. And thus it was under-evaluated the structural tension between domestic democracy and global role of the country (Fabbrini 2008). In fact, with the success of the Democratic party's candidates in the mid-term elections of 2006, and the consequent formation of a divided government, the US has started to tremble in its imperial attitudes. Domestic opposition to imperial policies has been institutionalized in the separated system of government. It is difficult to be externally an empire with an open political structure internally (Fabbrini 2007). In fact, in the US, the end of the neo-conservative era has re-opened the debate on the American role in the world system. The new paradigm of empire is going to be substituted by a new one.

Can thus we argue that the paradigm on the New Medievalism has remained as the most compelling for interpreting the post-Cold War international system? It is certain that regional arrangements and other inter-governmental forms of global order have created a much more complex system than the one imagined by the empire paradigm which equates world power with military might. It is certain that this much more complex international order is the outcome of the transformation of the nation state which is no longer the main or only actor in the international arena. However, it is open to question whether the new regional organizations and the emerging global inter-governmental relations (Slaughter 2003) might be considered sufficient structures for supporting a new world order. Indeed, the New Medievalism paradigm seems to capture only one dimension of the world order.

It is the aim of this paper to show such weakness. For this reason, I will proceed as follows: first, I will discuss the very concept of regionalism showing that it includes quite different types of regional organizations, being the main difference between economic and political regionalism. Second, I will discuss in some detail the EU which is the only case of political regionalism. Thus, third, I will compare some of the significant cases of economic regionalism (in particular ASEAN,

APEC, MERCOSUR and NAFTA) for showing both their specific peculiarities and their structural difference with the EU. Finally, I will elaborate some critical comments on the New Medievalism literature, arguing that it cannot represent the new encompassing paradigm for thinking on the features of the new world order. Indeed, the latter seems to combine post-modern experiences (such as the new regional organizations) and modern power relations, as those which require the action of powerful states. Certainly, the global co-existence of different organizations and logics constitutes a powerful constraint on powerful states. In particular the US will have to up-date its post-war model of hegemonic action.

Regionalism as the New Medievalism

Understanding political order in the wake of the end of the Cold War and at the dawn of an increasingly global economy has upset the parameters of scholarship for both domestic and international politics. For scholars interested primarily in domestic politics, there is no end in sight to the debate about the changing role, structure and nature of the state in the governing of contemporary societies within the territorial boundaries of the state. Not unrelated, international relations has also tried to come to grips with a world which lost its primarily structural feature – bipolarity – at the same time as a conjuncture of forces were creating a greater diffusion of sites, actors and issues at the international level.

The debate here has been in trying to understand whether we are still in the logic of the Westphalia system of states or whether this is being replaced by a new basis for political order in which the classic distinctions between the public and the private and between domestic and external politics no longer holds true (Neack 2008). All too often, these two different explorations of the state have been carried out in isolation of each other as have the various scenarios examining the emerging orders such as the new regionalism and globalization. In addition, they have been closeted into different domains of political analysis, primarily comparative politics for the domestic level and international relations for the global level.

The two approaches to the role of the state share a concern with the continuing utility of the constitutive elements of the modern state: sovereignty, territory and political community. Many scholars (Krasner 1999) have begun to argue that sovereignty is no longer able to capture the nature of contemporary politics, domestic or international, as it has been thrown into question by globalization. We have jumped from an international to a global order; that is, we no longer have national economies contained and defined by the territorial boundaries and political authority of the state but production models that are not contained within national borders.

The collapse of the Bretton Woods system with the dollar crisis of 1973 was instrumental in opening the way for creating global financial markets that complemented and accelerated global production systems. Notions of authority limited to the territorial boundaries of the state has created asymmetries between the juridical and material bases of governing trans-national exchanges of capital, goods, workers and services. Moreover, new policy challenges emerged which called into questions the traditional policy autonomy of the territorial state. From global climate change to control of what gets broadcast on the television screens in homes throughout the world, it seemed evident that the territorial state, even the larger one, is not in the conditions of taking effective decisions for tackling those problems. Technological changes in telecommunication and information processing has meant that territorial boundaries may no longer be enough to define not simply political authority but also the nature and terms of membership in a political community (Hutton and Giddens 2000).

Several and different forms of inter-governmental cooperation have emerged for dealing with the new challenges. As Slaughter (2004: 5 and 6) argued forcefully, “stop imagining the international system as a system of states – unitary entities like billiard balls or black boxes – subject to rules created by international institutions that are apart from, ‘above’ these states. Start thinking about a world of governments”, that is a world of inter-governmental institutions, with

“government officials within these various institutions (participating) in many different types of networks”. Regionalism is considered one, if not the predominant, form of the inter-governmental cooperation pursued in different area of the world. Certainly, such regionalism is based on important differences between the nature, scope, decision-making styles, compliance mechanisms, structures and international status of the different regional organizations. However, these regional ‘blocs’ have been considered the basis of a new world order.

This regionalism was developed primarily in Europe through the formation of the European Union (EU) and thus adopted in Asia, South and Central America, North America and Africa (Telò 2001). Moreover, it was not limited geographically as some forms of regional blocs, such as APEC, brought together members from different continents. In some cases, closer interdependence was seen as a way of protecting specific development models or specific cultural patterns from the pressures coming from more powerful economic and cultural forces (sometimes this two coincided). In other cases, the new regionalism was seen as a way of resolving long-standing rivalries between neighbours. Finally, the new regionalism was also a result of an imitation effect and a means of increasing bargaining power in international negotiations for certain parts of the world.

The post-Cold War regionalism is different from the Cold War regionalism (Hurrell 1995). The latter (known also as ‘old’ regionalism) consisted in a series of alliances promoted by the US in Europe, South America and East Asia in order to guarantee regional security. NATO (the North Atlantic Treaty Organization instituted in 1949 in Brussels), SEATO (the South-East Asia Treaty Organization instituted in 1954 in Manila) and CENTO (the Central Treaty Organization instituted in 1955 first in Bagdad and then in Ankara and which collapsed in 1979) are the examples of this US-led regionalism (the US joined CENTO in 1958, while it was the driving actor for the establishment of the other two treaties) (Ikenberry 2001).

Only in Europe, the regional organization for security came to be complemented by a regional organization for market integration, with the creation of the European Coal and Steel Community (ECSC) in 1952 (Paris Treaty) and thus its development in the European Economic Community (EEC) and European Atomic Energy Community (EURATOM) in 1957 (Rome Treaties). It was the end of the Cold War which re-opened the road for regional experiments or for the strengthening and re-interpretation of the existing ones.

The modern concept of regionalism is exclusively based on inter-states and inter-governmental cooperation on economic and trade issues (Mansfield and Milner 2000). Such cooperation is the expression of important changes which have taken place since the 1990s. First, they are the expression of the new economic consensus which praises exports’ promotion rather than imports’ substitution strategies. Developed and developing countries came thus to share the same vision of economic policy, a vision based on the idea that nationalization of the economic activities does no longer represent the recipe for a successful development.

Second, they are the expression of the necessity to reduce the complexity of multilateral negotiation in a liberalized world trade. Negotiations between regions (rather than between countries) reduce that complexity, not only through the limitation of the actors involved but also through a simplification of the agenda (many issues, in fact, are solved at the regional level).

Third, they are expression of a need to protect or preserve regional peculiarities (in cultural and social terms) in front of what is perceived as a homogenizing globalization process. At mid-2000s there were circa 80 regional agreements with preferential entrance to member states, although such agreements are generally open and not antagonistic. Indeed, 3 of the 130 members of the World Trade Organization (WTO) do not belong to any of the existing regional aggregations.

In a comparative perspective, regional organizations display different models of economic integration, i.e. of relations between public authorities and market forces. In all the cases of regionalism, the states which participate in the agreements give up to a certain degree of autonomy in specific and delimited policy realms in order to increase their capability of facing policy challenges which are common to the actors of a given specific area. The rationale for building regional organizations has been the creation of trans-border markets able to generate economic

growth through an increase of economic transactions. Transactions which were blocked by national barriers instituted around economic systems territorially defined.

For many scholars, the EU is the most advanced model of an economic integration which has thus developed in political terms. For them, economic and political integration are the poles of a continuum, in the sense that any regional organization has the potential to move along that continuum. Indeed, for Slaughter (2004: 264-265), “the European Union is pioneering governance through government networks in its international affairs... (It is a) distinctive form of government by network exportable to other regions and to the world at large”. For Marks (1997), it is the internal structure of the EU which makes the latter similar to Carolingian Empire, with its overlapping and differentiated jurisdictions, of the European medieval period (Marks 1997).

However, the new regional and inter-governmental organizations differ significantly in structural terms. The idea of a continuum among them is an underestimation of those systemic differences (and of their different global governance implications). In fact, there is a systemic difference between ‘political’ and ‘economic’ regional organizations. Concerning the nature of the regional aggregation, such a difference is not a question of degree but of kind. Political regionalism substantiates a project for building a polity with a supranational public authority. Economic regionalism concerns projects for building a common market or a custom union organized by inter-governmental or trans-governmental governance relations.

Certainly, also among economic regional organizations there are important differences along several dimensions (Ohmae 1998). They may be the expression of low or high economic integration between the countries of that specific area. They might reflect different degree of symmetry between the largest and smallest member states. They might be open or closed organizations, with different logics of trade exchange. Some organizations might have low trade barriers within and high trade barriers with the outside world, while other organizations might leave to the member states the possibility to pursue bilateral trade relations with the countries of the outside world.

Be as it may, these economic regional organizations (as ASEAN, APEC, MERCOSUR and NAFTA) are not polities or political systems with an international status. They are inter-states or inter-governmental agreements without any supra-states or supra-national structure. Indeed, in none of them strategies of positive integration are pursued. Economic regionalism is exclusively characterized by strategies of negative integration. Regional authority is utilized for dismantling national barriers to cross-border trade or investment and not for reducing the national externalities of cross-border economic activity.

Thus, economic regions pursue market-supporting, but not market-correcting, strategies. Positive integration has not constituted object of treaty discussion, nor the measures associated with it have had the support of social and political actors as it happened historically within the nation states. Economic regions have split their governance relations between the trans-national market and the national polity. Their members have used the regional aggregation for changing their economy without changing their domestic institutions.

This has not been the case of the EU political regionalism, where the supra-states features are as relevant as the inter-states ones. In the EU there is a supranational authority structure which has supported and steered significant market-correcting strategies. The EU has introduced an autonomous legislation on issues like health, safety, labour market, environment. It has an agricultural welfare state (through the financial support of the prices of products) and a territorial welfare state (through structural funds allocated to the poorest sub-national regions). Although, certainly, also in the EU social exclusion continues to be addressed mainly by member states governments and legislatures.

The EU has not decoupled public and private power, national and supranational governance structures. Rather, it has entangled them in new ways. One might even argue (Caporaso 1996) that, if Europe witnessed the birth of the territorial state between seventeenth and nineteenth centuries, it is now moving beyond that form of power, experimenting with a new model of supranational

governance. Moreover, if the EU has an institutional structure independent from that of the member states, this is not the case in the economic regional organizations. They have not an elected parliament, a powerful commission or an independent judicial body for settling the disputes. Finally, if the economic regionalisms might differ for the type of the organizational model (hierarchical in the case of NAFTA and MERCOSUR, because of the overwhelming influence exercised respectively by the US and Brazil, horizontal instead in the case of APEC and ASEAN), clearly the success of any political regionalism resides in the horizontal character of its governance structure. Which is what happened to the EU during its institutionalization (with the decision-making power shared by a plurality of institutions, such as the Council of Ministers, the Commission and the Parliament), although in the initial phases (till the 1970s) the Council of Ministers played a predominant role (see Table 1). It is necessary, now, to compare more in detail the two regionalisms.

Table 1: Varieties of Regionalism

		Nature of Regional Integration	
		Economic	Political
Organizational Model	Hierarchical	NAFTA MERCOSUR	EU (till the 1970s)
	Horizontal	APEC ASEAN	EU (since the 1980s)

Political regionalism: the case of the EU

The institutionalization of a supranational polity

The EU is a supranational polity that is the result of the evolution of a historic agreement amongst, first, Western European nation states aimed to close the long period of dramatic and reiterated hot wars (the First and Second World Wars) and, then, the Western and Eastern parts of Europe aimed to close the half-century long Cold War (Fabbrini 2007). Thus, European integration in the second half of the century was a response to the trauma and demons of the first half. A double peace pact was established between previous enemies. Its success was dependent, on the security side, by the military protection of NATO and, on the economic side, by the formation and enlargement of a common market aimed to generate a diffuse economic growth. It would be wrong to see the origins and extension of European regionalism simply as the result of economic pressures.

The roots of the institutionalization of the EU may be found in the Treaty of Paris (1952) which gave birth to the European Coal and Steel Community (ECSC). It was the struggle for control of these primary resources that led to tensions between France and Germany for nearly a century. While there were other signatories to the agreement, it made abundantly clear that European integration, in whatever form, was not possible without France and Germany. The Franco-German axis was the engine of the integration till the 1990s (Hendriks and Morgan 2001). The Treaties of Rome (1957) followed that in Paris and included the agreement that created the European Economic Community (EEC). The process that led to a common market would lead to the creation of the single market with the Single European Act (SEA) in 1986 and its provisions for

the completion of the single market by the end of 1992. The SEA celebrated the four freedoms that defined the single market: freedom of movement for goods, services, capital and persons. In order to reach this objective, decisional rules were changed from unanimity to qualified majority voting for matters related to the single market.

The effects of the SEA were felt almost immediately with the signing of the Treaty on European Union (TEU, or also known as the Maastricht treaty) on 7 February 1992. The TEU was important for three reasons. First, it gave rise to the aim of economic and monetary union (EMU) which led to the single currency in 1999 and its circulation in 2002 (Martin and Ross 2004). Second, it introduced the notion of European citizenship that was distinct from national citizenship in that it connoted particular rights. Third, it increased the organizational complexity and responsibilities of European institutions by dividing them into the three 'pillars'. The first pillar referred to the traditional areas of economic policy which included all the policies connected with the functioning of the single market. This pillar was organised along a decision-making regime defined as 'Community method', because of the pre-eminence recognized to the supranational institutions. The second and third pillars, which were organized by an intergovernmental decision-making regime, referred respectively to the Common Foreign and Security Policy (CFSP) and justice and home affairs (JHA). In these pillars, the pre-eminence was recognized to the member states governments, rather than to supranational institutions.

The Amsterdam Treaty of 1997 consolidated this institutional development and strengthened the role of the European Parliament (EP) in decision-making (Dehousse 1998). Till the 1990s, the latter did not have any significant legislative powers despite being directly elected since 1979. Its powers were finally augmented recognizing its co-decisional powers with the Council of Ministers regarding the most important legislative acts.

With these treaties, the EU consolidated a highly compounded institutional structure based on an unofficial principle of separation of powers (Fabbrini 2007). The Commission was recognized to have the role of an executive institutions, whereas legislative powers were shared by both the Council of Ministers (representing the member states' governments) and the Parliament (representing European voters), with the European Council (constituted by the heads of states and governments meeting three times a year) charged with the role of identifying the long-term strategies of the organization. Moreover, this power-sharing system was supervised and protected by the European Court of Justice (ECJ), become a powerful judicial institution for settling the disputes between both national and supranational public institutions and public and private actors (Stone Sweet 2000). The Nice Treaty of 2001 rationalized such institutional architecture and began to address the complex institutional questions of enlargement to the east and the south.

Moreover, the Charter of Rights was given recognition at Nice and the decision was taken to convene a constitutional convention to draft a constitutional treaty; decision thus implemented at the Laeken European Council in December 2001. A Constitutional Convention was thus organized in Brussels between 2002-2003 which brought to a Constitutional Treaty that, slightly revised by the member states governments, was signed by the European Council's head of states and governments in Rome in October 2004. Refused by the French and Dutch electors in the referenda held respectively in May and June 2005, the Constitutional Treaty was thus largely re-assembled in three different parts and thus approved as a Reform Treaty by the European Council meeting held in Lisbon in December 2007 (Ziller 2008).

The series of treaties that have served to provide a juridical basis to the EU should not lead to the conclusion that there has been a gradual and steady evolution of the integration project. The gaps in time between them suggest that there have been periods of stagnation followed by brief but active periods of reform (Sandholtz and Stone Sweet 1998). Moreover, the institutionalization of the EU has also taken place without changes to the treaties. The periods of apparent stagnation were characterized by significant changes in inter-institutional relations, both within the EU and between its institutions and the member states. The institutional impasse of the 1960s provided a space for

the ECJ to assume an increasingly important role in adjudicating disputes between Community institutions and the member states.

Two ECJ decisions were particularly important: *van Gend en Loos* in 1962 which established that European law had a direct effect on individuals and firms and *Costa vs Enel* in 1964 which celebrated the principle that European law is superior to national law. The ECJ's interpretation of the treaties as superior to ordinary national legislation created the conditions for their gradual constitutionalization. This interpretation was partly a response to the needs of economic actors, especially firms and finance capital, to operate in a continental economy that had to be regulated in relatively uniform fashion (Stone Sweet, Sandholtz e Fligstein 2001). Direct effect and supremacy of European law allowed the Commission to both de-regulate national legal regimes while defining a supranational regulatory structure. The ECJ and the Commission, with the growing support of the EP, then were marked as the institutions with the most committed European vocation; and certainly had the most to gain in terms of power and influence with the growth of a supranational system.

The establishment of the ECJ's constitutional role was the result of a complex web of alliances with national judiciaries, rather than with their national constitutional courts, and with the major national interest groups. On the basis of Article 177 of the Treaty of Rome, national judges were able to seek recourse to the ECJ to resolve disputes arising over interpretations of Community law (Stone Sweet 2000). Although ECJ opinions were not formally binding, they were nonetheless assumed by various national courts as the legal basis to assess the compatibility between national and Community law. The law courts, then, by-passed constitutional courts and became a sort of diffused control mechanism for the constitutionality of national legislation. This raised questions about the established principle that its control has to be carried out only through special constitutional courts. If one considers that, in the EU, the main decision-makers are expression of direct or indirect electoral processes, they operate within a system in which powers are separated and their behaviour is checked by a multi-level judicial system, then it is plausible to argue that the EU is not only a regional supranational state (Schmidt 2006), but also a democratic one. Certainly, it is organized by a different democratic model than the ones of its member states. It is a model proper of a union of states which might be defined as a 'compound democracy model' (Fabbrini 2007).

The scope of a political regionalism

The institutionalization of the supranational EU was the result of the interaction between European and national institutions. Certainly, the promotion of a homogeneous European economic space was fuelled by member states governments. Once French ostracism ended in the 1960s, the EU member states became increasingly active participants in the European game through its inter-governmental institutions (such as the Council of Ministers). It was the neo-liberal agenda of the British government of the 1980s that generated consensus around privatization and liberalization that were the foundations of the single market and the common currency. However, the interests of member states governments had to be conciliated with the supranational strategies of the Commission and then the Parliament, also because negative and positive integration fed off each other in this process.

The gradual elimination of national barriers (negative integration) that were an obstacle to the creation of a homogeneous market required the introduction at the Community level of new rules (positive integration) that only supranational actors could devise and promote. These new rules and forms of regulation were demanded by the same governmental and economic actors that were calling for liberalization and legally uniform continental market. In sum, Margaret Thatcher and Jacques Delors helped each other. This was similar to what occurred in the US in the second half of the nineteenth century and the first decades of the twentieth: the development of a form of capitalism that went beyond the single federated state required a symmetrical form of federal regulation (Fabbrini 2005).

With the creation of the single market, many issues related to the proper functioning of modern capitalism gradually became Europeanized. Policy areas that were traditionally within the national domain – such as environmental and consumer protection, the modernization of transport systems, telecommunication regulation, regional equality and research – have shifted to the European level. In some cases, it was the member states that favoured this shift. In some cases, it was spurred on by trans-national interest groups, experts, social movements, and networks mobilized around particular interests. In other cases, it was the Commission or the European Parliament pressured by private economic and social actors. The result has been an increased representativeness of these two institutions, leading the Commission and Parliament to claim a greater role in the European decision-making process. Certainly, it was not just the ECJ, the Commission and the EP that had an institutional interest in widening the range of EU competencies; the institutions representing national interests (the Council and the European Council) did not limit themselves to defending the status quo ante. They also benefited from the institutionalization of a supranational system in that it allowed states to solve problems they could not address on their own (Milward 2000).

The institutionalization of the EU has also extensively enlarged the scope of its activities. The EU has become a truly public policy regime; that is, an organization charged with the authority to promote a series of policies that are not easily bound together but related nonetheless (Cram 1997). International organizations are constituted on the basis of a common interest in pursuing particular objectives such as military security in the case of NATO or they can be arenas for trans-national cooperation to achieve general objectives as is the case with peace and human rights in the United Nations.

The EU is not an organization for mutual recognition and help amongst its members. Precisely because its aims were at producing an ‘ever closer union’, the public policies objectives have grown in quantity and quality. An increasing number of policies have been added to the original agricultural and trade policies of the 1950s. The most notable of these are in the areas of economic governance, with a common policy on competition and a monetary policy (and currency) shared by now 15 member states (out of 27). The single currency is governed by the independent European Central Bank. In addition, the EU has structural funds to ensure social and territorial cohesion aimed at reducing inequality and creating stability for the single market. The EU has a fisheries policy, one for the Mediterranean, for the environment, research, telecommunications and a fledgling social policy. These policies are all part of the first pillar and therefore subject to qualified majority voting.

After the terrorist attacks on 11 September 2001, the EU has also strengthened cooperation in the areas of both the second and third pillars, as well as it has started to elaborate and implement security and military policies (Howorth 2007; 2002). Indeed, the three-pillars divisions of decision-making regimes did not persist as expected. A process of cross-pillarization has altered that division, because of the difficulty of separating policies which have many interconnected aspects (Stetter 2004). De facto, the two intergovernmental pillars have come to be influenced more and more by the supranational logic proper of the first Community pillar. The transformation of the EU into a public policy regime has drawn to it an increasing number of interest groups. The high number of these groups operating in Brussels, which are more or less organized trans-nationally, indicates the decision-making relevance acquired by the EU supranational institutions (Della Sala and Ruzza 2007).

Thus, the EU has assumed many ‘domestic’ characteristics that distinguish it from any inter-governmental organization. The very fact that its legislation is seen as superior to national law and is applicable to individuals and firms suggests a level of institutional integration that is not characteristic of other regional organizations. The ECJ has removed the discretionary power of national governments to decide whether to abide by or not Community law; and it has bound citizens to Community laws directly without the intermediaries of national governments or parliaments. The capacity of national governments to act unilaterally or arbitrarily has been

curtailed significantly, although the enhancement of the public authority of the EU has taken place with their consent. The European treaties have thus become quasi-constitutional documents, on the basis of which supra-states features have been established in order to check the centrifugal tendencies of inter-states relations. If sovereignty implies the capacity of state to have ultimate control over decisions within its territory, then in Europe there no longer exists something that can be defined as 'national sovereignty'. European nation states have become EU member states (with the exception of few countries, such as Switzerland, Norway and Iceland) (Sbragia 1994). The formalization of the principle of qualified majority voting (in the first pillar but de facto used also in the other pillars) expresses the fact that decisions in the EU are not the sum of member states interests.

The European nation state was the result of the institutionalization of centralized political authority that took place over centuries (Fabbrini 2007). It was a process that was patterned after the first state-builders such as France, England and Spain which started the process in the seventeenth century. In this process, the definition of a central authority, supported by an administrative apparatus as in France and Spain or by representative institutions as in England, was a necessary condition for the success of the building of the state. Even those states that were late arrivals to the state-building process adopted similar features. It was the administrative and representative apparatus of Prussia and Piedmont that allowed them to conquer and consolidate territories that became, respectively, Germany and Italy in the second half of the nineteenth century. The new authorities were quickly identified by their capacity to control territory (Spruyt 1994). The formation of the territorial state coincided with the exercise of the legal authority and functional capacity of public power.

The EU experience has been diametrically opposed to these state-building experiences. The EU does not emerge from a central authority nor was its expansion supported by an administrative apparatus. It is the expression of a voluntary aggregation of previously distinct territorial states which decided to pool together their own sovereignty. Certainly, the institutionalization of a union of states which is inevitable hostile to centralization has not lack incongruity. For instance, in the EU there is a disjunction between legality and functionality, in the sense that not all member states have signed on the Schengen Agreement (1991) or are part of the single currency (the Euro).

However, if one consider a similar experience of union of states through voluntary aggregation, as the US, then such disjunctions appear less unusual than it is generally thought. Although the 2007 Lisbon Treaty has still left many opting-outs, it represents an important step forward. The EU has acquired a legal personality in general terms. It has overcome the three pillars structure, formalizing its system of separation of powers. It has recognized a treaty-status to the Charter of Rights which was celebrated (but not adopted) in the 2001 Nice Treaty. Last but not least, the Lisbon Treaty has also created the institutional conditions for the development of a more consistent EU foreign and security policy.

The EU is going to play a growing role in the international system, not only as economic power (as it is doing in trade negotiation since its inception, Meunier 2005) but also as a political power. In sum, the EU has become a case of a regional organization with political features, a supranational polity functioning according to the logic of a compound democracy. Europe has gone beyond Westphalia, transforming the international relation of its nation states in the domestic basis of the supranational EU. No other existing regional organization has gone so far in overcoming the Westphalian principle of sovereignty. This is why the EU might be conceptualized as a post-Westphalian polity (Cooper 2003).

Economic Regionalism: the institutions of inter-states cooperation

Asia-Pacific economic regionalism

ASEAN, APEC, MERCOSUR and NAFTA are not an answer to historical conflicts between nearby states which brought to dramatic wars. They are economic pacts, rather than peace

pacts. Probably, MERCOSUR is the only regional agreement which has tried to inaugurate a new political phase of cooperation between two traditional rival states as Brazil and Argentina. Although ASEAN came into existence in the second half of the 1960s, the other three regional organizations are the expression of the possibilities of inter-states cooperation opened up by the end of the Cold War (Haggard 1997). Indeed, ASEAN in 1992 has been phasing in a Free Trade Area (AFTA) for its members, AFTA's goal being the lowering of tariffs overall and the elimination of them on certain items imported from other member countries. In sum, "the end of Cold War helped to break down longstanding barriers to regional identity: Vietnam admission to ASEAN (in 1995, n.d.r.) is an excellent example of the point" (Ravenhill 2002: 175). Since the beginning, ASEAN (1967) and APEC (1989) have acquired the features of trans-governmental organizations, in the sense that business groups of different countries have interacted directly within the inter-governmental framework (Aggarwal 1994).

ASEAN and APEC are custom unions, whose decision-making system is based on consensus-unanimity, although the former has introduced in 1996 some forms of majority voting regarding very limited issues (Ravenhill 2001). It was the Asian crisis of the second half of the 1990s (and its mismanagement by international financial institutions) that created, among Asian countries, the perception of the need to act collectively in order to counter outside negative influence (Higgott 1998). Since then the quest for Asian collaboration has remained strategic for many Asian countries, although its development followed an uncertain path, moving from a general trade liberalization agenda to a more sectorally-based approach. Because APEC is an organization including developed and developing countries, democratic and non-democratic countries, it has been characterized by huge asymmetry (in terms of economic power and trade capability) between them. With the entrance of China in 1991 and Russia in 1998, the asymmetrical complexity of the organization has increased dramatically (Yamazawa and Hirata 1996). Different needs and contrasting interests were not easily conciliated. Certainly the experience of the crisis and the fear to be marginalized in a world trade constrained by powerful regional blocs, as the EU and NAFTA (created in 1994) has fostered the demand for economic collaboration between the states in the Pacific Area. Indeed, in the case of APEC, having the US within the organization has been a way for counterbalancing its relation with Europe.

Given these huge economic and political asymmetries, both ASEAN and APEC are regional organization with light and horizontal governance structures (see Table 1). They do not have established compliance mechanisms, being based on loose resolution practices (ASEAN) or clearly voluntary ones (APEC). Their operation is not based on supra-states institutions and actors. ASEAN has a 3-years meeting of heads of state and government, whereas APEC has more operative continuity thanks to the annual meeting of governmental leaders. Indeed, the APEC Leaders Meeting is the main decision-making forum of the organization. "APEC leader set goals, publicize them, and provide momentum for the process. This is usually held in November of each year, and is attended by heads of state except for those from Taiwan (Chinese Taipei) and Hong Kong who send other representatives" (Nanto 2002: 5). Many APEC operative decisions are first considered in the annual ministerial meetings with their functional composition (trade, finance, transportation, telecommunications, human resources development (education), energy, environment, science and technology, and small and medium size enterprises). Of course, these ministerial meetings cannot be equated to the EU Council of Ministers. The largest ministerial is the annual Joint Ministerial Meeting which meets for preparing the Leaders Meeting. Finance ministers and heads of central banks are generally the main actors of the Joint Ministerial Meeting.

ASEAN has a Secretariat (in Jakarta) with ministerial status, several (29-30) committees of senior officials and more than hundred (122) working groups on the various policy issues, complemented by a limited number of specialized (but non independent) agencies. APEC has a Secretariat (in Singapore) of a couple of dozens civil servants, supported by a limited number of committees (3) and working groups of experts (10) that deal with economic issues of importance to the region. The former are: the Committee on Trade and Investment, the Economic Committee and

the Budget and Administrative Committee. The latter are: trade and investment data, trade promotion, industrial science and technology, human resources development, energy cooperation, marine resource conservation, telecommunication, transportation, tourism and fisheries. Each working group is coordinated by a representative of one of the members. Regarding their trans-governmental side, a part from the celebratory Eminent Person Groups, instituted in 1992, with the duty of developing a vision for APEC future, it is the APEC Business Advisory Council (ABAC), instituted in 1995, which has come to play an influential role. ABAC consists of up to three members appointed by each APEC member and recommend APEC governments on issues related to trade, investment, finance and technology.

In sum, both ASEAN and APEC are carefully not to invade areas different from trade and economic cooperation. In particular, "APEC had carefully kept its distance from security matters for fear that such issues would cause division within the group, particularly among China, Taiwan, the United States, Japan and Russia. Such divisions could thwart cooperation in achieving economic goals" (Nanto 2002: 7). Since 1995, the consensus among APEC leaders has been that regional security issues have to be discussed in other fora or in the ASEAN Regional Forum (ARF). For example, "although APEC confines its agenda to economic issues, the heads of state at bilateral meetings conducted before and after the Leaders Meetings have discussed concerns over international security, human rights, and other issues" (Ibidem: 6). The ARF meets generally after the ASEAN Ministerial Conference and includes the ten members of the organization, plus US, China, Russia, Japan, South Korea, Australia, New Zealand, Canada and the EU.

In conclusion, both ASEAN and APEC lack any political identity. There are no rooms for a leadership's role and functions within these organizations. Both are economic regionalisms which encourage the voluntarily liberalization of the national economies of the area. Both oscillate between open and closed regionalism, in the sense there is no stable consensus among their members on whether to discriminate (closed regionalism) or not (open regionalism) non-members in trading relations.

For instance, Japan has permanently pressed for according the benefits of APEC trade liberalization to non-APEC trading partners on a most favored nation basis, while members with a smaller economy have been more cautious in opening up barriers in all the economic sectors. Indeed, from the 1998 crisis onwards "East Asian governments began actively negotiating bilateral preferential agreements" (Ravenhill 2002: 179) outside the organization. Powerful domestic protectionist interests in Japan and Korea (in agriculture, fisheries and forestry) have stalled the liberalization policy within APEC and between the latter and other Asian countries. More in general, the longstanding (political and economic) rivalry between the most powerful Asian countries (such as Japan and China, both members of APEC which never dealt publicly with the responsibilities of their own historical past) represents a permanent hurdle in the path towards a more effective Asian cooperation (Hemmer and Katzenstein 2002).

Thus, Asian regionalism seems to be squeezed between two opposing forces. On one side, there is the necessity to cooperate for dealing with the other regional blocs in Europe and North America. On the other side, Asian countries have not yet elaborated a common narrative for constructing an Asian identity both sufficiently inclusive of their differences and sufficiently capable of supporting their working together.

American economic regionalism

MERCOSUR AND NAFTA have remained inter-governmental organizations. Both regional organizations are homogeneous in terms of the political system of their members, but quite asymmetrical in terms of power relations between them. The predominance of (respectively) Brazil and the US is undisputed. This why MERCOSUR and NAFTA represent a hierarchical model of regionalism (see Table 1), contrary to ASEAN and APEC organized along the line of a horizontal model. MERCOSUR was founded in 1991 with the Treaty of Asuncion, with the program of

establishing a free trade area by 1994, thus a custom union by 1995 and finally a common market and a common external commercial policy (Bulmer-Thomas 2001). Its political aim was to stabilize the new democratic systems of the South Cone which were emerging from the authoritarian experiences of the previous decades (Hurrell 2001). “The key to the emergence of MERCOSUR...was the development of closer relations between Argentina and Brazil from the mid-1980s as both returned to democracy and began economic liberalization” (Mechan 2003: 376). Since its inception, however, MERCOSUR was conditioned by the interests of Brazil. Brazil has a longstanding ‘big country’ perspective. “From a geo-strategic perspective, Brazil uses MERCOSUR as a political and economic alliance to confront other powers, in particular the US in the FTAA (Free Trade Area of Americas, n.d.r.) and the WTO, and the EU in the EU-MERCOSUR context and in the WTO” (Klom 2003: 352). In fact, with both US and EU, Brazil has a contentiousness concerning the trade of agricultural products. To contain the expansive presence of the US in Latin America, it is much more effective, for Brazil, to act as the leader of a regional bloc than as a single, although big, country. This is why Brazil has always opposed any supranational development of the organization (requested by the small members as Uruguay and Paraguay, but also Argentina), protecting its inter-governmental character.

The ‘political’ potential of the organization has thus been kept under control by Brazil, which, however, has accepted that MERCOSUR should move beyond trade liberalization in direction of a common market program. Indeed, because of the need to institutionalize the cooperation between Brazil and Argentina, once they became stable democratic systems, in 1994 the MERCOSUR countries (with the Ouro Preto Protocol) agreed in giving a legal personality to the organization.

However, MERCOSUR norms are not community laws, but international laws, which require national action for being implemented. Nevertheless, MERCOSUR legal system mirrors the ambiguity of Latin America legal systems: “while treaties incorporate far-reaching commitments, implementation lacks discipline and rules are flouted” (Mechan 2003: 386). Influenced by the EU experience, and actively supported by the EU institutions (and the Commission in particular), MERCOSUR has tried to advance along the road of institutionalization. Indeed, after the Ouro Preto Protocol, “the MERCOSUR process, as a measure of trade liberalization with a protectionist dimension (common market, common external borders), had a similar effect on international sentiment as the European Community process had during the 1960s” (Klom 2003: 354).

Nevertheless, the promise has not been maintained. The asymmetrical relation between Brazil and the other members has represented an insurmountable hurdle for the creation of a supranational authority in economic matters. Brazil covers around 75 per cent of total assets (trade, GDP, population) of MERCOSUR, while, for example, Germany covers only 33 per cent in the EU. Moreover, no policies for re-allocating resource from richer to poorer states are in operation in the MERCOSUR, making the latter countries mainly dependent on the former. In sum, Brazilian domestic policies have continued to be the real engine of MERCOSUR common market policies. The late 1990s Argentina crisis has further exacerbated the dominant role of Brazil.

This is why progress within MERCOSUR has been uneven, notwithstanding formal declaration in favour of deeper integration. The absence of an effective supranational dispute mechanism (that is of an independent judicial body), although envisioned by the Ouro Preto Protocol of 1994, has complicated the process of reciprocal policy harmonization between its members. Disputes are discussed by ad-hoc inter-governmental arbitration panel which do not enjoy any real compliance’s powers. Their decisions, although formally mandatory, “were neither immediately applicable nor have direct effect, so members need not necessarily enforce them” (Bouzias and Soltz 2001: 107). Indeed, handling disputes case by case has undermined the legal unity of the organization. Moreover, Brazil, but also Argentina, has been unwilling to promote rigorous structural adjustment policies within their own economies in order to advance along the road of building an effective common market. They have not developed even a collective macroeconomic position (Preusse 2001).

MERCOSUR has paid the effects of an ‘institutional deficit’. Its institutional underdevelopment is an effect of a lack of political will in promoting the means for reaching the aims proclaimed in the Asuncion Treaty. For instance, the latter established two key inter-governmental bodies: the Common Market Council (constituted by ministers of economic affairs with the role of giving political direction) and the Common Market Group (constituted by officials charged of macroeconomic and policy coordination). However, the two bodies have not worked as expected. Decisions have been taken more in the twice-a-year presidential summits, organized by the six-month rotating presidency (which has had, however, more an organizational than an agenda-setting role). The daily operation of the organization is in the hands of a small Secretariat located in Montevideo, supported by working and ad hoc groups. In sum, it does not seem that the MERCOSUR (and thus Brazil) has been able to play an effective role in balancing the influence of the US in the Americas. In sum, MERCOSUR, “while it achieved initial success in stimulating intraregional trade growth, in other areas of development it has proved less successful” (Mechan 2003: 384).

Also the North America Free Trade Agreement (NAFTA)², signed by Mexico, Canada and the United States in 1992 and which went into effect on 1 January 1994, clearly has a different history, objectives and nature than the EU (Milner 1998). Indeed, it displays also important differences with the other regional economic organizations. It has a very high economic differentiation (the largest and most dynamic economy alongside a newly industrialized country), a profound political asymmetry (the hyper-power in the world system alongside medium-sized powers with limited military capacity) and unusual geographical features (the longest borders shared by states). NAFTA is less ambitious than the MERCOSUR, in the sense that its aims remain essentially those proper of a trade agreement. Given that tariffs across the three countries’ borders (and particularly between Canada and the US) have largely disappeared, the nature of the agreement geared largely at solving disputes on other trade-related items. Like MERCOSUR and contrary to the supranational EU, the NAFTA is a purely inter-governmental organization. However, notwithstanding the presence of the international system’s only super-power in that organization, NAFTA has created a highly structured and regularized decision-making regime.

Why did NAFTA come about? Mexico and Canada had long-standing fears of the political and cultural effects of a closer relationship with the US. However, by the 1990s these seemed to be offset by the perceived need to ensure trade rules against rising US protectionism. The economic motivations were thus supplemented by political hopes of bringing about changes in forms of economic governance within the two countries (Clarkson 2000). But US motives for pursuing NAFTA did not seem so obvious other than the argument that a super-power, if democratic, will always seek rules that institutionalize its advantage (Mansfield and Milner 1999: 611). The period beginning in the mid-1980s, during the Reagan presidency, marked a turning point in the approach of the US to regional trade agreements (RTAs). The US went from being an active promoter and guarantor of a multilateral post-war economic order in which it provided the political and military guarantees for regional blocs far from its shores, to being an active participant in regional arrangements (Haggard 1997).

This shift accelerated in the 1990s and with the end of the Cold War. Since the mid-1990s, the US has entered into a series of regional free trade agreements of different intensity and commitment. The most advanced of these is NAFTA, but APEC deserves mentioning simply because of the importance of trade with Asia and the serious trade deficits that the U.S. has run with its Pacific partners. The US trade performance is an important part of the story of its conversion to RTAs. There emerged, in response to growing trade deficits in the 1980s, an aggressive application of U.S. trade law, especially with respect to anti-dumping. From the US point of view, RTAs were

² The section on NAFTA relies on a previous paper written with Vincent Della Sala, *Beyond Empire and New medievalism: Bounded Hegemony in the EU and NAFTA*. I thank Vincent Della Sala for letting me to use the section in question.

means by which to guarantee 'fair' trade rules that enshrined its approach to economic governance (Wyatt-Walter 1995). For potential partners, the aggressive application of trade law set off alarm bells and a search for ways to guarantee market access.

There were a number of initiatives in the 1980s that laid the groundwork for the NAFTA agreement (Mittelman and March 2000). The most important of these was the Canada-United States Free Trade Agreement (CUSFTA) which came into effect in 1989. Negotiations between the two countries had begun in 1985 and concluded with a trade agreement that dealt primarily with solving disputes and ensuring access than the removal of tariffs and duties. The CUSFTA introduced dispute settlement mechanisms and guaranteed national treatment for American firms investing in Canada. The agreement opened the way for an RTA with Mexico. The US and Mexico began negotiations in 1991 after Congress granted fast-track approval which meant that any future pact would not be held up in the legislature once it was approved. Canada joined the negotiations shortly after and an accord was reached relatively quickly. The change in the US presidency in 1993 brought a Democrat to the White House who had promised to re-visit certain provisions that applied to labour and the environment. On trade and the environment were introduced minimum standards and signed a commitment by the partners to set up mechanisms for monitoring their respect. Groups concerned with the environment and labour in all three countries were able to exploit the open character of the US legislative process for putting pressure on the new administration in order to introduce some level of protection.

The main provisions of the NAFTA reflected a concern with trying to place some limits on the application of American trade policy and to subject it to the logic of a regional agreement. The main mechanism for this has been the binding dispute settlement mechanism that resolves disputes between member states or between economic actors and member states. Article 1904 of the NAFTA provides an alternative to the domestic courts to resolve disputes on anti-dumping and countervailing duties. Chapter 20 of the agreement spells out the procedures and provisions of the settlement mechanism, which begins with a government to government meeting. If this does not bring about a resolution, then the matter can be sent to the NAFTA Free Trade Commission, which is comprised of the trade ministers of the states involved. If the matter is not settled here, a state may request that a five-member panel be formed to settle the dispute. The panellists are chosen from a roster of names, with each country choosing two and the choice of the fifth member alternating with each dispute between the two countries. The fact that the US has agreed to have a judicial body that is not part of its formal constitutional structure and is formally a trans-national institution is not insignificant. One only needs to remember that it has refused to sign on the International Criminal Court because it does not accept that an external judicial body can override the US legal system. Mexico and Canada have sought to insulate their commercial relationship from the application of American trade law in American courts. The US, on the other hand, has been willing to accept the settlement mechanism as it is less cumbersome than the GATT/WTO route.

From the point of view of creating a free trade area that provides stable relationships, NAFTA has had some success. While Mexican-Canadian trade remains marginal, on the whole NAFTA has become central to the commercial policy of all three partners. The dispute settlement mechanism for anti-dumping and countervail issues has been used extensively by all three governments and has brought a measure of protection to the smaller partners of the agreement. The NAFTA members are not concerned simply with trade. They represent economic interests that go beyond the application of trade law, such as the protection of investor rights. This reflects an important feature of the North American economy, where a great deal of cross-border trade is carried out within the various branches of the same multinational firm.

Mexico, and to an even greater extent Canada, have been described as 'branch plant' economies because large parts of their industrial base are satellites of US multinationals. This intra-firm international trade is less likely to generate disputes about dumping and government subsidies; but it may lead to questions about the free movement of capital and protection of foreign direct

investment. Multinational firms were concerned that the increasing trans-nationalization of production across the North American continent would not be subject to constraints on investment, such as employment protection. One mechanism to protect foreign investment was the national treatment; that is, foreign firms cannot be treated any differently than domestic actors.

Chapter 11 of the NAFTA outlines two important measures that are seen to provide an unprecedented level of protection for investors: the first section outlines the obligations that host countries have towards investors and the second provides a dispute settlement mechanism. The obligations assumed by governments include not only national treatment by foreign investment but also prohibit the use of performance criteria for approval of incoming capital. For instance, governments could not stipulate that foreign investors have to respect domestic content rules in production or require multinational firms to share their technology.

More importantly, restrictions are placed on the capacity for governments to expropriate or nationalize investments. The onus of proof of the protection of the public good was now on them to present in an arbitration tribunal and not even their domestic courts. The second part of Chapter 11 introduces an innovation known as “investor-to-state” cases, in which multinationals may sue NAFTA governments (including those at the sub-national level) for policies that they allege harms their investments and contravenes investment obligations assumed by governments in the first part of Chapter 11. Foreign investors, primarily multinational firms, who feel that their investments are harmed by a NAFTA member state can choose to bypass domestic courts and seek recourse through the World Bank’s International Centre for the Settlement of Investment Disputes (ICSID) or the rules of the United Nations Commission for International Trade Law (UNCITRAL Rules).

Additionally, domestic courts are bound to enforce the awards found by the arbitration tribunals. Chapter 11 was favoured by the Canadian and particularly the Mexican government because it would provide measures of guarantees to the investors who looked wearily at past protectionist and interventionist measures north and south of the American border. From a domestic point of view, it would entrench a commitment to economic liberalization and make it difficult for future governments to reverse the broad direction of economic governance. For Mexican governments, Chapter 11 sent a strong signal that economic liberalization programs that began in the wake of the debt crisis of the early 1980s would now be subject to an external constraint and not to the whims of domestic politics.

NAFTA has the governance structure of an inter-governmental organization. Its locus of institutionalization is an agreement on a free trade area with a limited institutional architecture. However, the dispute settlement mechanisms do exert a degree of independence and form clear institutional boundaries between the member states and the implementation of stable and durable rules. Its decisions are binding. The decision-making process is highly structured and regularized and it is based on a one a year Cabinet-level representative meetings. There are many (25) trilateral committees and ad hoc working groups working on different economic and trade issues. The scope of activity is also limited compared to the EU.

Although NAFTA does not have a security component, in the wake of the 11 September terrorist attack and the economic fallout of having closed border crossings for the better part of a week, it became apparent that there was a challenge in maintaining an open economic border and securing border crossings. There has emerged a discussion about creating a North American perimeter so that American security concerns may be extended to all of NAFTA’s borders. It is not likely that this development will lead to a political development of the organization, although it reveals the pressures for a greater institutionalization of a regional trade agreement including a super-power.

Table 2 Institutionalisation of Regional Organizations: A comparison (2000 – 2008)					
	ASEAN Association of Southern Asian Nations (1967)	APEC Asian Pacific Economic Cooperation (1989)	MERCOSUR Mercado Comun del Sur (1991)	NAFTA North American Free Trade Agreement (1994)	APEC Asian Pacific Economic Cooperation (1989)
Founders	Indonesia, Malaysia, Philippines, Singapore, Thailand	Indonesia, Singapore, Brunei, Malaysia, Philippines, Thailand, Australia, Japan, New Zealand, South Korea. And Canada	.Brazil, Argentina,, Paraguay, Uruguay	IJSA, Canada, Mexico	France, Germany, Italy, Belgium, The Netherlands, Luxemburg
Joiners	1984- Brunei Darussalam 1995- Vietnam 1997-Laos and Myanmar 1999- Cambodia	1991-Cbina, Hong Kong, Taiwan 1993- Mexico and Papua New Guinea 1994-Chile 1998- Peru, Russia, Vietnam	1996 – Chile(associate) 1997 – Bolivia (associate) 2010 - Venezuela	Development of AFT A (US and Canada)	1973- UK, Denmark, Ireland 1981-Greeee 1986-Spam and Portugal 1995- Austria, Finland, Sweden :} (2004- 2007~Central, East and Southern European Countries
Member States	10	21	7	3	27
Nature	Inter/trans- governmental	Inter/trans- governmental	Inter- governmental	Inter- governmental	Supranational
Scope	Economic collaboration Free Trade Area	Economic cooperation/ coordination (Customs Union)	Customs union	Free Trade Agreement	Political Union
Decision- making style	Flexible Consensus (1996→majority voting)	Consensus - Unanimity	Flexible consensus	Highly structured and regularized	Highly structured supranational- single market Intergovernmental – foreign policy
Compliance	Loose dispute	Voluntary	Ad hoc	Binding	ECJ – Highly

	resolution mechanisms		arbitration panel (chosen by a roster of judges)	dispute resolutions mechanisms	binding
Operation	- 3 years meeting of heads of state / and government - Ministerial Conference	~annual meeting of finance ministers and heads of central banks and others -annually rotating chair -annual leaders meeting	- twice a year presidential summits - six month rotating presidency	-once a year Cabinet level representatives meeting	- twice a year European council - quasi permanent council of Ministers - Community coordination
Structure	-Secretariat (Jakarta) with ministerial status - 29 committees of senior officials - 122 technical working groups -specialized agencies	-Secretariat (Singapore) of 23 civil servants (2001) -3 committees -10 working groups	Secretariat (Montevideo) -Common Market Council - working groups (Common Market Group) - ad hoc groups	25 trilateral committees -ad hoc working groups	Highly structured (Commission, EP, Council of the Union, COREPER Committees)
International status	None	None	None (de facto)	None	Yes - in economic and trade Forums (since Rome 1957) and in political forums (since Lisbon 2007 – if approved)

In conclusion, regional organizations differ significantly. Joseph Grieco (1997) has used three criteria – locus of institutionalization, scope of activity and level of institutional authority – to compare the new regional arrangements in the Americas, East Asia and Europe emerged in the post-Cold War era. This approach, which examines the legal basis of regional blocs, what they do and their capacity, is a useful exercise for understanding the new power relationship at the global level. It is also useful to include the EU in this comparative endeavour. However, it would be misleading to consider the EU as a pole of a continuum between regional organizations. Indeed, the EU is also a political entity, although in the process of institutionalization, and not only an economic one. Only the EU, if its process of institutionalization will proceed successfully, will have eventually the possibility to make more plural the political governance of the international system. For what concerns the other regionalisms, their role will continue to be delimited to the governance of economic and trade issues.

Not Only New Medievalism

Why have these regional experiences been assimilated (at least as an analogy) to the medieval system of governing? In the medieval order, no single ruler was vested with supreme political authority (or sovereignty) over a particular territory or population. Authority was divided and shared both upwards and downwards, with multiple and overlapping sites of legitimate political rule. Despite the best efforts of popes and the Holy Roman emperor, there was no recognition of a single universal, temporal power within a given territory.

On the juridical front, different legal orders (such as common law, customary law and civil law), based on different Christian, German and Roman traditions, co-existed and competed amongst themselves. With a weak or non-existent centre, even the administration of justice became a complex affair. Because of the existence of such a multitude of regional organizations and of the regulatory extension of old (IMF and World Bank) and new global institutions and regimes (such as the WTO or the UN Commission on Human Rights), the post Cold War international system has been equated to a sort of new medieval order (Gamble and Payne 1996). According to this argument, the new regional blocs (Gamble 2001) and the several inter-governmental forms of cooperation (Slaughter 2004) complement the decline of territorial states.

Certainly, the indicators that evoke the medieval order are numerous. Private international violence, such as terrorism, has established itself as an unprecedented form of international power. The growth of international organizations has been unrelenting as has been the transnational mobility of information, capital, technology and individuals. These factors do not mean that the state will disappear; rather, it will have to share power in the international order with other domestic and supranational actors. The point is that, in the new medieval order, no actor can claim within a territory exclusive sovereignty or independent authority. Even the hyper-Westphalian states of US or China or Russia have to recognize the existence of trade or human rights international regimes which constraints their rooms of manoeuvre.

The world order, which is becoming highly institutionalised, is organised around multiple centres of inter-governmental organizations, be they regional organizations or networks of ministers, judges and diplomats. In this order, regional aggregations are assuming many of the functions that were the domain of states in the past. They have created new institutions that go beyond the state for the co-ordination and cooperation in managing trade but also other issues. For instance, they largely contributed (as in the case of MERCOSUR) in stabilizing the democratic nature of their members' political system.

The result has been the institutionalization of global structures of mutual interdependence and support. New institutional authorities have emerged although none has had the power for imposing its will on the others. In sum, they co-exist and compete just as they did in the old medieval order. As John Ruggie (1998) argued, the world polity is in a transition from a modern to a post-modern era. In the post-modern international order there are no hierarchies of power. Economic and cultural globalization has eroded states' territorial boundaries, enmeshing even the largest and powerful ones in a web of institutional interdependence. Probably, the world has not become cosmopolitan but it is certain much plural than it ever was. This is why post-modernity seems to resemble more the pluralism of pre-modernity than the standardization and uniformity of modernity.

To be sure the world is organized through a panoply of regional organizations and global institutions and regimes. However, as we have shown comparing the most relevant cases of regionalism, that institutional pluralism has very different political implications for the world order. All the regional organizations, but the EU, have an economic nature. As other networks of inter-governmental cooperation, they do not play any significant role in political global governance, although they are certainly influential in the management of economic or human rights issues. The EU is the only example of regional organization which is assuming an importance as an international political actor, although its global potentials are still largely underdeveloped. Because

political and economic global governance, although interconnected, are distinct, then the post-modern structure of the latter does not preclude the persistence of a modern structure in the former. Certainly, the interconnection between global politics and global economics has shown the structural limits of any imperial strategy (and interpretation).

A plural world is inhospitable for empires, as the US has had to learn in Iraq. The US has no the economic resources for sustaining an imperial policy, nor it controls the legitimacy resources for justifying it. However, an economic plural world continues to be in need for some form of political governance, a possibility that has been overlooked in the New Medievalism argument. While there may not be an epicentre to the economic international system, there is still one to the political international system. This epicentre continues to be constituted by the more powerful states – and the US above the others. Certain issues (such as military security, conflict resolutions and political stability) are outside the capability of many regional or inter-governmental organizations.

If it is true that even a hyper-power has to behave within the constraints of the international and domestic multilateral decision-making structures, then the US has no other option than to play a hegemonic, and not imperial, role (Ikenberry 2006). Hegemony implies not only the recognition that power has to be exercised within multilateral arrangements. It implies also the recognition of the other countries' interests and values, and not only those of the hegemon.

Hegemony concerns the exercise not only of hard power but especially of soft power (Nye 2008). Hegemony is necessarily a bounded behaviour. The hegemonic power operates within the constraints of rules that (in the case of the US) it has designed itself and actors that do not depend on it. Clearly, rules set by the powerful will always tend to reflect a position of strength; but they also imply that political rule will not be arbitrary. Certainly, hegemonic power is easier to be exercised in regional blocs where one power is clearly in a much more powerful position than its partners than it might be in broader multilateral organizations. For instance, the US found it easier to dictate terms of trade agreements with Mexico and Canada within NAFTA than it has within the WTO or the UN Security Council. However, rules constitute the binding of power subjecting its use to limits.

The new world order will become stable only when the US will recognize that system's military unipolarity will not translate automatically in across-the-board predominance. For both its domestic and international constraints, the US has no choice but to act globally as a hegemonic power. When the US under-evaluates the structural relevance of such constraints, then it is inevitable that it will be forcefully contested (Fabbrini 2006).

Conclusion

In sum, the New Medievalism paradigm, with its emphasis on the diffusion of inter-governmental institutions and regimes, has certainly helped to better conceptualize the complexity of the post Cold War order. In the new international order national borders have been eroded and a number of different practices have emerged for dealing with various issues. However, there is no reason to assume that the fragmentation into regional blocs or inter-governmental networks will do away with the exercise of unequal power relations.

The New Medievalism paradigm faces many of the problems of some pluralist approaches; that is, it has trouble accounting for the concentration and expression of different forms of power. The fact that there might be many different sites does not preclude that they will not be equal, that some actors within the sites might be more equal than others and that the creation of this order might itself be the expression of the dominant position of a more powerful actor.

The unbundling of territory has had only disconnected effects as the power of certain states remains central in issues of security while diminished in finance and economic policy. The decline of the state is not only different between states but also within them as well. Some states have chosen to pool their capacity in certain areas – such as monetary and trade policy – in order to preserve national distinctiveness in other areas. But none of regional organizations or inter-

governmental institutions is in the condition to challenge the US in military and political terms, although they contribute to construct at the global level the system of institutional constraints which are the functional equivalent of those operative within the US domestic structure.

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