

Regional Organizations

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■ Preface

This book aims to inform international students about the definition of the concept of. Regional organization. In this context, knowing of the basic role and validity of the regional organization will make an important contribution to the analysis of relations among the states in the current regions of the world and the role of them in international politics. Especially today, the existence and the role of the regional organizations is equally valued, as the concepts of global governance and interdependence are accepted among the actors in the international politics. From this point of view, regional organization, which can be influenced from actors in global politics to regional powers, from non-state actors to public bodies, it is a platform that brings states, societies and individuals together at a local scale. If we take into account that regional organizations are the important actors of the international politics and regional politics, the functioning of these organizations, their emergence processes and their effects at global and regional level need to be investigated and examined.

Our book consists of eight chapters. Our authors in this book have dealt with the concept of regional organization in a wide range of from the historical developments, to the today's examples. In this framework, the first chapter of the book emphasizes the definition and general assessment of international organizations and regionalism. The first chapter also covered the main features of regional organizations. This chapter also evaluate the reasons of States to establish, or become a member of, regional organization. The second chapter focuses on the purposes and roles of regional organizations in the international system. In this framework the chapter evaluate the

multiple expanding roles and functions of regional organizations in the international system. This chapter also compare the purposes and roles of regional organizations from different areas in terms of their imitation or emulation of each other. The third chapter of the book deals with the United Nations and Regionalism. In this context, it follows the explain the historical and normative background of the issue of regionalism. It is explaining the relationship between the globalism and regionalism and problems of definition regarding the concepts related to regionalism. The chapter also define and enumerate the electoral groups and regional commissions in the UN system. This chapter analyze the collaboration between the UN and regional organizations for maintaining international peace and security. The fourth chapter made a classifications of regional organizations. This chapter made an analyse about the different categorisations of regional organizations and examined the internal and external factors leading to regional cooperation or regional integration. The fifth chapter of the book is about the samples of regional cooperations. In this context this chapter examined the Organization of American States and the Union of the South American Nations as an American regional cooperations. Later on, the aims and structure of the Shanghai Cooperation Organization aims and structure were explained. It also analyzed the the history of African Regionalism and describe the organs and mechanism of Organization of African Unity and its successor African Union. The unit was enriched with the NATO and explain its changing strategies. The 6th Unit of the book is devoted to the samples of regional integrations namely, Eu, Aladi, Mercosur, Andean Community,

Nafta, EAEC and ASEAN. Diplomacy applications of global powers are analyzed from a theoretical point of view in this chapter. Later, diplomatic applications of major global powers such as the United States, the European Union, China and Russia were discussed. The sixth chapter of the book related to regional development banks. In this context, the main features of regional development banks was discussed in the chapter. The chapter evaluate the reasons why regional development banks were designed. The last part of the book contains international non-governmental organizations and their role in a regional perspective.

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MAIN FEATURES OF INTERNATIONAL ORGANIZATIONS

International organizations are institutional, legal, and political entities established by the main subjects and actors of international relations, States, at regional or global levels. They are, therefore, also referred to as *inter-governmental organizations* or *international governmental organizations*. The idea that leads to their establishment is based on the understanding that dealing with certain international and regional issues via *ad hoc* conferences and congresses is not adequate and sufficient and, thus viable institutional mechanisms are called for. The number of international and regional organizations dramatically proliferated by the 20th century, so are their influences and efficiency.

WHAT IS AN INTERNATIONAL ORGANIZATION?

International organizations are international legal persons which are established by an international agreement duly signed and put into effect by the governmental bodies of at least three States. The constituting documents, which are usually called *statutes*, accommodate provisions regarding the main structure, features and working principles of the organization. These include the basic aims, purposes, goals and principles of the organization, the membership criteria, the main bodies/organs and their powers, as well as the decision-making and voting procedures. Organizations, with their own legally independent and permanent bodies and powers, differ from other international platforms, conferences and say summits. They are also distinguished from international regimes, which are in fact general mechanisms foreseen and consumed by a group of States for accomplishing various individual goals. International and regional organizations possess a legal personality, as well as being an autonomous political entity, and may well act on their own behalf despite the fact that their decisions and policies are shaped thanks to the votes of the member States.

Possessing an international legal personality, first and foremost, means having rights, powers and obligations within international legal realm. Organizations are not only subject to all relevant

sorts of international responsibilities, they also have the capacity and capability to create legal rules. However their personality, especially compared to States which are sovereign actors and subjects, is a limited one. They can only act and function within the framework of their statutes. They cannot use powers exceeding the limits drawn therein. The exact scope of this functional and limited personality, however, is interpreted differently in the literature. Some argue that organizations can only use powers *explicitly* given to them in their statutes, which in fact means that the discretion of any organization is limited and it is the member States that still counts. Others, therefore, argue that organizations should be allowed to use *implied* powers that are, or might be, necessary to accomplish the goals set forth in the statutes. Finally, some go further and suggest that any power not forbidden in the statute might *naturally* be used especially by global organizations such as the UN. As none of these views respectively championing explicit, implied or natural powers secured a widespread support, it might be concluded that organizations have functional and limited personalities and they can act only within the limits drawn in their statutes.

This limitedness, however, is not an impediment to the legal existence and continuity of the organizations. Their legal existence, once created by States, becomes permanent and can only be dissolved by itself, as invalidation of the constituting agreement by the States Parties is not an often consumed ordinary method.

The existence and continuity of the legal personality of the organizations become concrete through the physical, institutional and functional assets devoted to, or obtained by, them. An organization enjoys its legal personality via its own bureaucrats based at its own premises and buildings. Although generally employed from among the citizens of the member States, the personnel basically serve for the purposes and interests of the organization. Likewise, the premises/buildings are based on the territory of a member State and yet are exclusively allocated to the organization by a headquarters agreement signed with the member concerned.

In short, any international or regional organization which has a limited, functional and permanent legal personality enjoys the rights, privileges, duties, responsibilities and obligations

given to it by its statute and participates to international political and legal relations with its competent bodies and personnel.



Figure 1.1

! important

Although possessing an international legal personality is crucial for organizations to take part in international politics, the opposite is not necessarily true. Indeed, there are regular “summit” meetings or entities that do not hold a legal personality and yet are quite influential in international politics. The G-7/8 is indeed one of the most active and effective decision making and standard-setting global actor although it does not possess a legal personality.

WHY ARE THEY ESTABLISHED?

The main motivation of the States in establishing organizations has always been international and regional cooperation. It is clear that *Realpolitik* as well as economic, cultural and even ideological expectations play a decisive role in this respect. States attribute a certain degree of importance, functionality and legitimacy to such organization in terms of their foreign policies. They are perceived as useful legal and political tools by States, as they constitute a platform thanks to which certain foreign policy goals that cannot be, or not desired to be, reached individually are better accomplished together with other member States on an institutional basis. The present chapter would therefore suggest that international and

regional organizations are in fact quite functional *interfaces* for States. Once approved as a decision or policy of the organization, the individual interests and goals of a member State, albeit through the prism of the organization, becomes those of a group of States. And even as “the interest of the international community” in the case of global organizations. This would automatically mean a higher legitimacy and realisation possibility. It goes without saying that such a scenario is much more relevant in cases of powerful, dominant and hegemon States. Yet weak States would also benefit from such processes, as being co-members with other States strengthen their positions in international and regional circles. Moreover, at least being a member and holding a vote power would be quite advantageous especially during important decision-making processes. Last but not least, organizations would give member States the opportunity to put the whole blame regarding the criticisms of third States on the organization and claim that the undesirable decision or policy in question is that of (the other members of) the organization.

Having said that, as we proceed into the globalisation era which empowers non-State actors such as multinational companies and non-governmental organization vis-à-vis States, international and regional organization are now increasingly granting consultative status to such actors and make them a constituent part of the governance process. It is, therefore, possible to conclude that not only the States see and exploit international organizations as functional interfaces in realising their respective foreign policies, but the latter, as quasi-independent agents, do also see and exploit the former as such to a certain degree in their global ambitions.

In short, although States continue to be the most important actors and subjects of international relations and law, international organizations, once established by States, are also increasingly becoming a global policy-maker to the detriment of States. In this respect, regional organizations are particularly relevant because globalisation at the same time means fragmentation and regionalisation, which compels States to act collectively and even to convene under certain umbrellas against global, international and regional challenges and uncertainties.

Organization as functional interfaces of cooperation are usually established for three general concrete reasons particularly at regional levels: Military alliance, economic cooperation and dealing with common “technical” issues.

Military Alliances

States tend to establish, or become a member of regional military alliances in order to strengthen their security. Although a general sense of self-assurance might be the reason, such organizations are usually established by States that have not only similar military, economic, political and even cultural understandings, but also an understanding of commonness particularly compared to third parties seen as common others, if not the enemy. Once a group of States agree that such concerns are to be dealt with institutional mechanisms, they usually sign a treaty establishing a defence pact and declare that an attack against any of them is in fact directed to all of them. The legal basis of such regional organizations is provided by the UN Charter. The Charter, which prohibits threat and use of force in its Article 2/4, permits States to defend themselves against an armed attack individually or collectively (Article 51). More importantly, Article 52, which is the true legal basis of regional security organizations, allows States to establish “regional arrangements or agencies for dealing with” regional and international peace and security, provided that they are “consistent with the Purposes and Principles of the United Nations”. NATO and Warsaw Pact are the most known examples of such collective self-defence organizations which characterised the Cold War. Meanwhile, it must be particularly emphasised that such regional organizations are not established solely for military objectives vis-à-vis third (group of) States. They have a very strong socio-economic-political aspect as well. Such joint military mechanisms not only externally defend common borders of member States but also internally guard the order. As they are based on an understanding that parties have a common “world”, namely a socio-economic-political system to defend, such organizations take relevant measures to keep this world intact and enduring against any internal threats. Indeed, although neither of the two has been used against each other in the course of the Cold War, the Warsaw Pact (or Soviet

Red Army) has intervened militarily to Hungary (1956) and Czechoslovakia (1968) in order to protect revolutionary principles, and NATO had usually been associated with military *coup d’etats* executed by NATO-supported junta cliques called *gladio* in order to keep members attached to Western values and principles. Aside from such controversial issues, the membership criteria of such organizations do also confirm that they are not, and cannot be, confined to military issues. Indeed, NATO for example, not only asks its member States “to eliminate conflict in their international economic policies”, but also encourages “economic collaboration between any or all of them” (Article 2). Besides, as Eastern and Central European States declared their membership ambitions after the Cold War ended, NATO clarified and strengthened its membership criteria and required candidates to have, among others, a stable democratic systems and a functioning free-market economy. In short, regional military alliances are not mere collective security mechanisms against possible external threats or uses of force. They are internally also based on a common political, economic and ideological world view.



Figure 1.2 Rigging of Warsaw Pact



Legal basis of regional military alliances (“regional arrangements or agencies”) are provided in Chapter VIII (Articles 52-54) of the UN Charter. Visit <www.un.org/en/charter-united-nations/>

Economic Cooperation Organizations

It is assumed and expected that establishing institutional mechanism among States which are not only trade-partners but have interdependent and even complementary economies would have a win-win affect. Such solidarity organizations are established in order to facilitate and foster trade relations and economic cooperation in between States that usually share common borders. As such organizations mostly reduce and even lift trade barriers, tariffs and other restrictions and thus increase trade volumes, they not only improve the welfare of the citizens of the member States but also foster the regional economy as a whole. Some regional organizations go even further and aim supranational economic, social and even political integration, as is the case for the EU which somehow constitutes a role-model for many regional organizations across the world.

Therefore, as will be elaborated in the following chapters, the globalisation process may easily be labelled as an era of regional integration ambitions, for states are increasingly becoming unable of tackling and competing with global trade individually. This is also because of the fact that the ways/means of industrial production have changed dramatically in the last decades. States do not constitute “specialised industrial production units” anymore. Production process itself is fragmented and various parts of almost all sorts of goods are produced and assembled in different countries. No country is the sole producer, and thus the sole exporter, of no goods. International market is not anymore an exchange platform of final products, but rather that of intermediate goods. Exporting and importing (of different parts of a single product) are intertwined and neither can be possible and even meaningful without the other. So, cooperation is increasingly becoming a *sine qua non* for all States if they want to *co-produce* something. Moreover, since factors of production are scattered around the world and particularly cheap labour force might well be found in quite far regions, economic cooperation is not anymore limited with the neighbouring countries either. In fact, State practices do confirm this trend, as economic organizations that are increasingly becoming inevitable are not necessarily established at regional levels between States that share common borders. In case of global economic cooperation

and competition, BRICS is a good example in this regard. Although a number of them are neighbours, five States (Brazil, Russia, India, China and South Africa) from different continents with different economic characteristics are now championing free global trade and even arguably aiming in the long run to replace global trade institutions such as the IMF and World Bank.

In short, the idea of regional economic organization is going through a re-organization. Economic *co-operation* is transforming into economic *co-production*, regionalism is gradually being *replaced* by regions-based global actors and States.



Figure 1.3 Washington D.C., USA, International monetary fund building

Tackling Joint/Common ‘Technical’ Problems

States increasingly prefer regional organizations also because of the assumption that technical problems can only be handled and tackled collectively. This has been particularly the case in regulating various transborder and potentially global activities that are not confined solely within the realms and jurisdictions of any one single State. Indeed first modern organizations were established in 19th century in order accommodate postal communication and land, sea and rail transportation at a regional level. Such transactions unavoidably required mutual assistance in legal, judicial and commercial issues. Over time, the more transborder activities proliferated and diversified the more regional and international organizations are required and established. As we entered into the globalisation area, issues ranging from combatting epidemics, climate change and poverty to arranging

and even encouraging cultural, sporting and tourism activities have been subject to institutional efforts at regional and global levels.

On the other hand, the basic motivation and argument that common “technical” solutions are to be found for common “technical” problems is itself a bit problematic. For it is based on an assumption that there are politically neutral and even apolitical problems, the solutions of which are to be, and can only be, found by technicians and bureaucrats. It also means that the root causes of such problems are not political either and they do not stem from preferences of political, economic and social actors. This is not the case however. All such problems are direct or indirect results of our choices and preference. It then follows that the proposed solutions will also reflect choices. In other words, every rule, norm or standard bound to solve a problem in a certain way is in fact *the* solution of an actor (group). Norm and standard-setting means setting/imposing the norms and standards of a certain understanding and preference, so of a certain actor. This is particularly the case in international and regional relations where power-politics is much more relevant. It is beyond doubt that the norms and standards of regionally and internationally hegemonic actors are generally seen as better than the others as they represent the most progressed system. Nevertheless, first, the highest available standard is something different from the highest possible standard. Second, as such hegemonic States are usually the main sources or contributors of the root-causes of the problem in question, their suggestions usually shares the burdens with co-members unevenly to their best advantage. In short, although common problems definitely need joint institutional solutions, such endeavours cannot be analysed as politics-free technical steps to the good of all.



your turn ¹

Discuss the similarities between military alliances on one hand and economic or technical cooperation organizations on the other with regard to the importance attributed to them keeping in mind the concepts “instrumentalisation” and “interface”.

Theoretical Approaches

There are also major theoretical approaches that endeavour to explain regional and international organizations. It must be emphasised at the outset that theories do not determine and designate politics. International actors such as States, organizations and other emerging non-State actors do shape politics. Theories simply claim to explain politics from usually solely a certain angle. So they are bound to be reductionist at the final analysis. Yet they provide us with different perspectives so that understanding politics becomes much easier. It follows that although neither of them explains the reality thoroughly, theories as a whole bring us closer to understanding facts, as each of them has something to say and offer. So theories are important components of political science despite their all shortcomings.

Best known and most quoted theories of international politics are realism and liberalism (idealism, rationalism). There are also a wide range of theories that oppose these two, which are usually referred to as critical theories/approaches, such as Marxism, feminism, constructivism and so on. All of these general theories of international relations are also adjusted to international and regional organizations.

Realism argue that organizations are a result of States' seek of security. They, as the main if not the sole actor of international relations, simply want to maximise their interests and survive in a world of *homo homini lupus*. As this cannot be ensured individually particularly in certain regions, States do and should be part of institutional military alliances against common enemies. Although convening under an umbrella organization usually led by powerful allies would mean some sort of dependency, the sense of security and protection obtained worth it. This is simply because of the fact that self-interest compels collective acts.

Liberals (idealists, rationalists) think differently. They suggest that States are not (potential) enemies but (potential) partners, as they basically stand for providing welfare and peace to their respective citizens. It then means that cooperation especially in between economically coherent States is vital. Regional organizations in particular are established to foster common interests and thus realise the win-win principle. Mutual interdependence thus

fixed intensifies and deepens over time in such a fashion that war and even conflict becomes needles and even undesired. The most advanced version of this approach is represented by the functionalist integration theories. As used to explain supranational regional organizations such as the EU, it is argued that a close cooperation on non-controversial practical, technical, economic and legal issues rather than political and military ones would not only create a “common peace and welfare zone”, but also strengthen a sense of commonness and togetherness in between citizens. Such achievements will have a spill-over effect over time and will eventually make social and even political integration much easier and even desirable.

Critical theories usually emphasises the uneven and hegemonic nature of international and regional relations. They argue that organization of relations at all social and political levels has a hierarchical rather than cooperative character. Organizations are therefore not more than hegemonic tools of powerful States that use them as new legitimate grounds of domination. Although the critical thinkers decipher the nature of the organizations to some extent, they are also open to criticism as they do neglect, if not ignore, the fact that weak States do also willingly establish or become members of organizations. This is simply because, as emphasised at the very outset, they also see organizations as functional interfaces. As all members have a certain amount of bargaining power thanks to the voting systems, each State would somehow have the chance to obtain certain outputs otherwise unreachable and unachievable.

It might, therefore, be concluded that, although each and every theory provides us with a better understanding of the reality either directly or indirectly, the opposite is also true. So it would be better to grasp and use them all as a whole but not rely on any single of them.



your turn ²

Evaluate the explanatory powers of theoretical approaches with regard to concrete, material and realised reasons of State to establish organization.

INSTITUTIONAL STRUCTURES AND FUNCTIONING

Organizations set up their bodies and organs in line with their purposes, goals, principles and even number of members. The duly take into account regional and international climate, as well. Organization have, or create in the course of time, bodies deemed necessary for the fulfilment of organizational purposes and functions. Yet they all, almost as a rule, basically have three main bodies: Secretariat, plenary assemble and specially authorised body.

Secretariat is the body that in fact both supplies and represents the legal personality of the organization. It is the only body that is not composed of the representatives of the member States but rather employs officers working for, and accountable to, the organization itself. The routine daily work of the organization is done by this body which also coordinates all relevant internal and external activities in line with the aims, rules and principles set out in the statute of the organization. The number, qualifications and working standards of the officers are specified and secured by the organization. They work under a hierarchically organised structure led by a chief administrative officer, which is usually called Secretary-General. This chief officer not only leads and commands the internal operation of the secretariat, but also coordinates the harmonious work of all bodies of the organization. Moreover, Secretary-General, normally elected by the plenary assemble of the member States, represents the organization externally at the international level. S/he makes official statements, conducts diplomatic affairs, carries out negotiations, and signs international agreements on behalf of the organization. These dual (both internal and external) roles of the Secretary-General makes the position diplomatically even more important. That is why member States attribute great importance to the election criteria and process.

Plenary assemble is the sole body that contains the governmental representatives of all member States. It is usually equipped with general powers and authorities regarding the structure and operation of the organization. It approves the budget, admits new members, amends the statute and so on. It ordinarily meets sparsely, say annually or even

once in two years, to discuss, consult and negotiate general issues on its agenda. Although some of its decisions particularly regarding internal matters of the organization are binding, most of its external decisions are mere recommendations. It is usually seen as a general political debate platform where all members express and exchange their views and get a diplomatic chance to make themselves heard.

Almost all organizations have a core *specialty authorised body* which is usually called council or board and is equipped with special powers. Unlike the assembly, it has a limited number of members. These members are either elected by the plenary assembly for a certain period of time according to certain criteria or envisaged as permanent members in the statute of the organization. It is generally argued that such a composition is inevitable, for a swift and smooth operation of the organization can only be secured by means of a small, flexible and effective set-up. Accordingly, moreover, if materialising and accomplishing the common goals are genuinely wanted, some powerful members should be given special roles and privileges. Nevertheless, as such executive bodies have the power to take mandatory/binding decisions and set rules and standards on behalf of all members, their composition do not only pragmatically reflect the existing reality but also reproduce, consolidate and crystallise it. This is the reason why some organizations apparently prefer a sort of rotation among its members; but in many cases powerful members secure re-election thanks to diplomatic, economic and political bargains. Therefore, despite all legitimate and pragmatic justifications, specially authorised bodies occupy a central and decisive role in the functioning of organizations.

Membership

Membership first and foremost means holding all legal rights and privileges that stem from membership such as participating at the meetings, operations and decision-making processes of the organization on an equal footing. Organizations designate their membership criteria and application procedures in their statutes. Although founding members might have a certain degree of psychopolitical advantage, it is the full-membership that counts. Organizations, on the other hand, are also open to observer members which are sometimes

called “contact States”, “dialog partners” etc.. There are two distinctive characters of this status.

First, observers, unlike full-member States, are not party to the statute and therefore do not hold especially the voting right. Although their mere participation and contribution to plenary meetings and debates is somehow regarded important, there are cases where this status is granted as a means of preparation for, and transition to, full-membership.

Second, observer status is not confined to States. It is also granted to non-State actors such as other international and regional organizations, unrecognised States/entities, multinational companies and non-governmental organizations, as their political standing, economic power or technical expertise is valued. This is especially the case in organizations which attribute great importance to “governance” in the globalisation process.

In principle, only States can be full-members of intergovernmental organizations. Nonetheless, there are organizations which are open to the membership of any “country” or even “territory”, provided that other criteria are met. These are usually “technical” organizations which claim that they simply want to take on board as much relevant party as possible and function thoroughly.

Organizations lay down their own specific membership criteria usually in the first chapter of their statute together, and in consistent, with their objectives, goals and principles. Any candidate State is expected and required to meet the whole set of criteria. Yet it may easily be asserted that the geographical criterion has a key role in case of regional organizations. The geographical criterion, on the other hand, is not to be regarded solely as a spatial scope. Being a part of a particular region, sub-continent and even continent usually means being a part of a “world of States” that not only share borders but also have economic, ideological, military, ideological, cultural or even religious and ethnic ties or similarities. Some organizations express their regionalism in terms of “common/

shared values” and thus emphasise that they are inclusive, not exclusive. The nature, as well as the objectives and goals, of the organization becomes decisive in such cases. Indeed, although both the EU and the Council of Europe are open to the membership of “any European country”, the EU, as a supranational integration organization, construes this geographical criterion relatively strictly whereas the Council of Europe, as an intergovernmental organization, has many “Asian” members as it arguably aims to spread “its values” as much/far as possible. Besides, five out of eleven founding members of the Organization of the Black Sea Economic Cooperation are not coastal States. There are also *sui generis* examples. All independent Arab States have the *right* to be a member of the League of Arab States which makes the organization an ethno-regional one. Besides, any State “having Muslim majority” may apply for the membership of the Organization of Islamic Cooperation which now has 57 members from all over the world and is effectively open to States “having Muslim population”.

In short, it may easily be concluded that geographical criterion has a central role in regional organizations but should not be understood strictly in physical geographical terms. This criterion is materialised in line with the nature, scope, principles and goals of a given organization.

Membership applications are generally negotiated and finalised by the plenary assemblies where all full-members are represented. The final decision is generally taken by a qualified majority, which means that organizations are quite strict and even cautious towards potential newcomers. This is probably because of the belief that a harmonious operation requires a homogenous composition. Moreover, once accepted, every member will not only participate in and contribute to the operation of the organization, but also represent it in the regional and international arena. Hence organizations also have rules arranging ways of dealing with incompatible and noncompliant States. The ordinary way is *suspension* according to which certain rights of the member in question is restrained. Many organizations suspend the voting right until a further decision in order to put diplomatic and political pressure on the “naughty” member. The responsibilities and obligations of the suspended member continue though. So,

despite making evident that the organization is a bit inharmonious, the suspension decision usually puts the blame/burden on the member concerned. The suspension decision is to be lifted once it normalises.

In cases of essential problems or the perception that suspension would not be effective at all, organizations may also expel their members. *Expulsion* is in fact not that much preferred, for it somehow gives the impression that the organization is incapable of enforcing its principles even to its own members and bringing them into line. It will also be an indicator of weakness and fragility and put the organization on the spot in international politics. On the other hand, a member may itself decide to withdraw from membership due to changes in its political orientation, lack of harmony with the organizational policies or regional or international developments. Most organizations envisage a transition process before the expulsion legally takes place so that no obligations arising from membership remains unfulfilled.

Voting Rights and Decision-Making

Organizations adopt various voting and decision making systems. In fact, they also adopt different systems in different organs depending on their respective natures, compositions and powers. What is more, a specific organ may also adopt different voting procedures for different types of issues.

The voting rights issue is generally settled by a basic principle though: One-State-one-vote. Although States might be represented by up to a certain number of people, every member in principle holds one vote to be casted by the head of its delegation. But there are especially global economic organizations in which, say, the material capacity and power as well as the economic contribution of the members determine the voting weights where literally “one-dollar-one-vote” principle prevails.

There are two decision-making models in organizations: Consensus and voting.

Consensus is a model where decisions are taken without voting. Each and every member holds the right to express its opinion on a draft resolution. Objections, suggestions, proposals

and amendment requests are voiced until a compromise and consent is reached at. At a point where no party raises further issues, the resolution is assumed to be assented. In cases where the matter in question directly relates a member State, the organizations may prefer *consensus minus one* procedure according to which that State is denied to have its say due to the principle *nemo iudex in sua causa* (no-one should be a judge in his own cause). Consensus model gives the organization the psycho-political advantage to claim and demonstrate that all opinions are duly taken into account and there is a wide-spread accord among the members. It also ensures the buy-in of all members, which in turn increases the efficiency of not only the resolution taken but also the organization itself. Each member finds something in the resolution and thus embraces and appropriates it. This model, for this very reason, has weak points and vulnerabilities. Because of the fact that the draft has been cooked and finalised in the course of heavy debates, the final text hardly resembles the initial proposal. Furthermore, it quite likely takes a complicated and confusing form. The ambiguity and obscurity in its wording would in turn reduce the uniform application as the members might well interpret it differently. Last but not least, this model encourages the closed-door diplomacy, as some members may seek economic and diplomatic ways of convincing and even compelling others. Despite these pros and cons, consensus model is preferred usually by organizations that either claim to be very coherent or are in fact too fragile. This first type of organizations simply want to demonstrate how harmonious they are. NATO is a good example in this respect. Although the decisions are officially made on the basis of unanimity, in practice the decisions are made by consensus after discussion and consultation among members. The other type of organizations, however, prefer consensus model as they aspire to demonstrate both internally and externally that the diversified and even incompatible members can in fact manage to take a common decision. The Organization for Security and Co-operation in Europe (OSCE), which is initiated in Cold War conditions to bring together the two competing hostile camps, embraced consensus as a means of minimising differences and building a common ground.

In the voting model, each member casts its vote on a draft resolution and the decision is deemed to be taken if the affirmative votes exceed a certain number or ratio. In *simple majority*, the affirmative vote requirement is more than half of all votes cast. In *qualified majority*, affirmative votes should be more than half of the votes cast. Finally *unanimity*, contrary to the general understanding, does not require affirmative votes of all members but simply seeks that no single negative vote is cast. So *absences* or *abstentions* are ignored which in turn means that members that do not effectively want to block (“veto”) a resolution may well prefer either not participating the voting or being present but casting a blank vote. The main weakness of this model is the fact that it has the potential to concretise and crystallise the diversity of views among its members.

Regardless of the method adopted, once taken, the resolutions enters into force and becomes valid and binding for all members. A unique example in this respect is the League of Arab States. The decisions of its principal organ, Council, which consists the representatives of all the members, binds only member States that cast affirmative vote.



your turn ³

Comparatively analyse different models of decision-making in terms of their effects on internal as well as external functioning of organizations.

Budget

Organizations require material, physical and economic means to carry out their activities and perform their duties. This is because the expenses incurred to run and fund daily work, activities and fixed costs such as personal salaries and infrastructural expenditures are all to be met by the organization itself. That's why organizations have their own budgets generated and set with the contributions of the members. Organizations have two basic kinds of budgets. Budgets that depend on the yearly contributions of the members as well as on other regular revenues and incomes of the organizations are mostly called regular budgets.

These budgets towards planned or projected activities and expenditures of relevant bodies and organs of the organizations are in principle approved and audited by the plenary bodies. As a huge difference in between financial means and contributions of the members may cause an imbalance among members for the advantage and benefit of influential ones, organizations usually set ceiling and minimum rates so that no member disproportionately finances, and thus seeks to influence, the organization. As States that do not pay their contributions timely may pose important financial problems, organizations reserve the right to impose sanctions including the suspension of the voting right. Yet there are cases where an influential State is but only kindly requested to pay its huge amount of arrears whereas a weak State is denied its voting right due to a relatively much smaller amount of yearly contribution.

Organizations may also need additional financial means for unusual or extraordinary activities and expenditures. *Ad hoc* budgets are raised in such cases with the contributions of willing members. There are members who contribute to *ad hoc*, as well as regular, budgets in order to increase their respective influences within and outside the organization. Likewise, members sometimes contribute to *ad hoc* budgets with very small and even symbolic amounts just to demonstrate their positions and alignments. In short, budgeting systems of organizations are too not of mere economic and financial character but also have political dimensions, repercussions and effects.



Figure 1.4

Buildings and Premises

Organizations and their officers need a working place. These physical and spatial means for performing their daily activities also provide the organization with a permanent address. The location is mostly specified in the statute, although there are cases where it is determined subsequently. Depending on the extent and nature of the organization, there may also be a number of branch offices in other locations. All such premises, as a rule, are located in member States. In any case, the organization itself or the founding States sign a treaty with the territorial (member) State and agree on the exact location as well as the terms of the operation. The host State which remains the sovereign of the relevant field in question in principle allocates and devotes it to the use of the organization and accepts to supply and ensure all infrastructural means, as well as the security thereof. It also agrees to grant visa to all those who want to pay on official visit to the organization, ensure their security and escort them to and from the premises where appropriate or asked. The premises and the personal enjoys all applicable diplomatic immunities and privileges. Maintaining the order within the premises in under the responsibility of the organization. Nevertheless, as the organization uses not only the territory but also the infrastructure of the host country, its whole set of operations and transactions directly affects the latter. This compels parties to work cooperatively. That's why the host State, also as a member, is required to do its best to make things easier for the organization and not to hinder its daily operation whereas the latter is expected to respect the local rules, acts and customs of the former.



Figure 1.5 NEW YORK, USA - December 08, 2016: World and UN Flags in front at United Nations Headquarters in Manhattan

L01

Understand the main features of regional organizations

All organizations are international legal persons which are established by an international agreement signed by at least three States. Their statutes accommodate provisions stating the basic aims, purposes, goals and principles of the organization, the membership criteria, the main bodies/organs and their powers, as well as the decision-making and voting procedures. All organizations have their own legally independent and permanent bodies equipped with adequate powers. Possessing international legal personality means being subject to all relevant sorts of international responsibilities. They also have the capacity and capability to create legal rules. Their legal existence, once created by States, becomes permanent and can be dissolved in principle only by the organization itself. An organization enjoys its legal personality via its own bureaucrats based at its own premises and buildings.

L02

Evaluate basic motivations of States to establish, or become a member of, regional organizations

Organizations are usually seen as functional interfaces of cooperation established for military, economic or problem-solving purposes. In cases of military alliances, States that seek to strengthen their security tend to think that self-assurance compels acting collectively with allies. The legal basis of such regional organizations is provided by the UN Charter. Economic considerations may also be the main driving force. For it is assumed that institutional mechanism among States that are not only trade-partners but have interdependent and even complementary economies would have a win-win affect. Such organizations facilitate and foster trade relations and economic cooperation in between States that usually share common borders. Most of them reduce and even lift trade barriers, tariffs and other restrictions and thus increase trade volumes. They are thus expected to increase the welfare of respective citizens and the regional economy as a whole. Another motivations is the opinion that common technical problems are to be handled and tackled collectively. This is a result of the belief that various transborder issues that are not confined solely within the realms and jurisdictions of any one single State can only be managed and overcome with international cooperation and common effort. Despite the clear necessity and legitimacy of such common initiatives, the assumption that lies behind is a bit problematic. For the idea that there are politically neutral and even apolitical problems, the solutions of which are to be, and can only be, found by technicians and bureaucrats is in fact a political one. Every rule, norm or standard claiming to solve a problem in a certain way is in fact the solution of an actor (group). It follows that such organization are bound to reflect the opinions and solutions of the leading States.

LO 3

Describe the similarities and differences in between the institutional structures and operation of different types of regional organizations

Organizations have bodies and organs set up in line with their aims, purposes, principles and even number of members. There are at least three main bodies in all types of organizations. Secretariat supplies and represents the legal personality of the organization. It employs officers solely working for, and accountable to, the organization who perform the routine daily work. Plenary assembly, as the sole body that contains the governmental representatives of all member States, has general powers regarding the structure and operation of the organization. It approves the budget, admits new members, amends the statute and so on. It ordinarily meets annually or once in two years, and holds debates and consultations general issues on its agenda. Its resolutions are usually mere recommendations. Specially authorised body is effectively the heart of an organization equipped with special powers. It has a limited number of members either elected by the plenary assembly for a certain period of time or envisaged as permanent members in the statute of the organization. It has the power to take binding decisions. Organization may have, or create in the course of time, other bodies deemed necessary for the fulfilment of organizational purposes and functions.

1 As they are established by an international agreement signed between at least three States, international and regional organizations are also called?

- a. Intra-State bodies
- b. Supra-national organizations
- c. Institutional organizations
- d. Inter-governmental organizations
- e. Trans-border entities

2 Organizations provide member States with the opportunity to accomplish their respective policy goals that cannot be, or not desired to be, reached individually. Organizations may, therefore, be called?

- a. Institutions
- b. Prefaces
- c. Interfaces
- d. Foreign policy bodies
- e. Regional platforms

3 Possessing an international legal personality, first and foremost, means?

- a. Global influence
- b. Regional influence
- c. Membership to the UN
- d. Determining foreign policies of the members
- e. Having rights, powers and obligations within international legal realm

4 Some argue that organizations can only use powers that are given to them in their statutes, which in fact means that the discretionary power of any organization is strictly limited to the advantage of member States.

Which of the following options correctly completes the sentence above?

- a. implicitly
- b. explicitly
- c. naturally
- d. globally
- e. regionally

5 The opinion that organizations may use all powers **not** forbidden in there is shortly called?

- a. Explicit powers
- b. Implicit powers
- c. Natural powers
- d. Global powers
- e. Regional powers

6 The legal basis of regional military alliances are provided by?

- a. Chapter V of the UN Charter
- b. Chapter VI of the UN Charter
- c. Chapter VII of the UN Charter
- d. Chapter VIII of the UN Charter
- e. Chapter IX of the UN Charter

7 Regional organizations established for collective defence purposes are called by the UN Charter as?

- a. Regional arrangements or agencies
- b. International peace and security bodies
- c. Defence pacts
- d. Collectivist entities
- e. Sub-regional organizations

8 The body that supplies and represents the legal personality of the organization is?

- a. Council
- b. Plenary assemble
- c. Specially authorised body
- d. Secretariat
- e. Permanent commission

9 The sole body that contains the governmental representatives of all member States is?

- a. Secretariat
- b. Plenary assemble
- c. Specially authorised body
- d. Council
- e. Permanent commission

10 The decision-making model that operates without voting is?

- a. Veto
- b. Qualification
- c. Majority
- d. Consensus
- e. Consultation

1. d

If your answer is not correct, review "Main Features of International Organizations".

6. d

If your answer is not correct, review "What is an international organization?".

2. c

If your answer is not correct, review "Main Features of International Organizations".

7. a

If your answer is not correct, review "What is an international organization?".

3. e

If your answer is not correct, review "What is an international organization?".

8. d

If your answer is not correct, review "Institutional structures and functioning".

4. b

If your answer is not correct, review "What is an international organization?".

9. b

If your answer is not correct, review "Institutional structures and functioning".

5. c

If your answer is not correct, review "What is an international organization?".

10. d

If your answer is not correct, review "Voting rights and decision-making".

Discuss the similarities between military alliances on one hand and economic or technical cooperation organizations on the other with regard to the importance attributed to them keeping in mind the concepts "instrumentalisation" and "interface".

your turn 1

Although States establish organizations for intensified and institutionalised cooperation in issues concerning their security, economy or technical problems, there are common points which can be analysed cumulatively. All sorts of organizations, in one way or another, are perceived as useful legal and political tools by States, as they constitute a platform thanks to which certain foreign policy goals that cannot be, or not desired to be, reached individually are better accomplished together with other member States on an institutional basis. Indeed, once approved as a decision or policy of the organization, the individual interests and goals of a member State, albeit through the prism of the organization, becomes those of a group of States and even "the interest of the international community". This is not only true for hegemon States but also for weak States who in turn benefit from such processes by, say, their voting right which may well provide a basis for political and diplomatic bargains.

Evaluate the explanatory powers of theoretical approaches with regard to concrete, material and realised reasons of State to establish organization.

your turn 2

Theories do not determine and designate politics. International actors such as States, organizations and other emerging non-State actors do shape politics. As they simply claim to explain politics from usually solely a certain angle, theories are bound to be reductionist. However, they are quite beneficial analytical tools which provide us with different perspectives and thus enables us to have a better understanding of politics. So, although neither theory explains the reality thoroughly, they as a whole bring us closer to grasping facts. As each and every of them has something to offer, theories must be seen as important components of political science. Indeed, main theories of international politics such as realism, liberalism and critical approaches all somehow explain why States establish organization for various reasons. Whereas one put the emphasis on States' seek of security, another points at economic cooperation, welfare and stability. In any case, respective self-interests of member States are believed to be better served via organization, namely collective institutional action.

Comparatively analyse different models of decision-making in terms of their effects on internal as well as external functioning of organizations.

your turn 3

Consensus and voting are the two main decision-making models. Decisions are taken without voting in the consensus model. Members express their opinions, objections, suggestions, proposals and amendment requests on a draft resolution until a final compromise and consent is reached at. Assent is secured once no further objection is voiced. This model makes it possible to claim that the opinion of all members are duly taken into account and best available resolution is taken. The organization thus not only guarantees the support of all members internally, but demonstrates to the outer world that it has a firm and solid stance in international politics. The main weakness of this model also starts at this very point. For the draft is amended several times during the negotiations, the wording of the decision usually differs from the initial proposal dramatically. Organizations embrace this model to keep harmony internally. Indeed, the other model, voting, means members may think and act differently. This may concretise and crystallise the diversity of views. On the other hand, it provides the members as well as the outer world with clearer precise resolutions. Members are usually given the right to vote negatively and even to abstain or absent. In any case, once a resolution taken in accordance with the model embraced, all members are expected and required to abide by it so that the organization may keep its stance and integrity in regional and international politics.

Suggested answers for "Your turn"

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Chapter 2

Purposes and Roles of Regional Organizations in the International System

After completing this chapter, you will be able to:

Learning Outcomes

- 1 Understand the variety of purposes and goals that regional organizations pursue in the international system
- 2 Evaluate the multiple expanding roles and functions of regional organizations in the international system
- 3 Compare the purposes and roles of regional organizations from different areas in terms of their imitation or emulation of each other

Chapter Outline

The Emergence and Rise of Regional Organizations in the International System
The Purposes of Regional Organizations
The Roles of Regional Organizations

Key Terms

- Conflict Resolution
- Development
- Globalisation
- Global Governance
- Regional Governance
- Regional Organizations
- Regional Integration
- Trade Blocs



INTRODUCTION

The number and importance of regional organizations have increased in recent times. Such organizations are purposive actors that may act in their own right; thus, they move beyond being merely foreign policy tools of their member states. Their purposes vary extensively from promoting economic co-operation and integration to enabling diplomatic, political, military and socio-cultural interactions among nations.

While fulfilling their purposes, these organizations pursue critical roles in the management and functioning of the international system. These roles include serving as regional actors or agents of global governance, dealing with internal and international conflicts, being involved in peacekeeping efforts, promoting and protecting democracy and human rights, handling international criminal activities and illegal immigration problems, and more. These extensive roles have occasionally exceeded their originally defined purposes. All of the purposes declared by regional organizations and their crucial roles within or beyond such purposes help them to be the key factors in the process of international affairs.

Before giving detailed information about the purposes and roles of regional organizations, this chapter at first sight briefly explores the emergence and rise of these organizations in the international system in order to understand their true nature. Subsequently, it analyses the purposes of regional organizations in terms of three categories: (1) economic and commercial; (2) diplomatic, political, military and security; and (3) social and cultural. It then examines the major roles of regional organizations in the international system by focusing on both their

agency as regional actors of global governance and their achievements in addressing cross-border regional and global issues. In these last two parts, the study both makes intra- and cross-regional comparisons and exemplifies representations of regional orders to explain the proliferation of state-led regionalism.

THE EMERGENCE AND RISE OF REGIONAL ORGANIZATIONS IN THE INTERNATIONAL SYSTEM

Regionalism is critical to the functioning of the current international system. Many scholars have noted that today's world order has been regionalised, and we are consequently living in a 'world of regions' (Katzenstein, 20015), 'regional worlds' (Acharya, 2014) or a 'global order of strong regions' (Buzan and Wæver, 2003). As one scholar has argued, 'regions are now everywhere across the globe and are increasingly fundamental to the functioning of all aspects of world affairs from trade to conflict management, and can even be said to now constitute world order' (Fawn, 2009: 5).

The scholarly literature on regionalisation and regional organizations has been mostly European- and EU-centric (Acharya, 2016; Vinokurov and Libman, 2017). Truly, with regard to regionalism, Europe remains the most advanced and integrated region; others, such as the Middle East and Africa, have made only limited progress in the same respect. In fact, Europe has been the centre of regionalism and regional organizations since the formation of then-European Communities (today's EU) in the Cold War years of the early 1950s. It often has been an inspiring example for other regions seeking similar regional integrations.



Figure 2.1 Fall of the Berliner wall 1989

On the other hand, regional co-operation and integration has been a global phenomenon, rather than an exclusively European one, since centuries before the post-Second World War era. Indeed European regionalism is ‘one of the many varieties of regionalism in world politics’ (Acharya, 2016: 112). Regional organizations have expanded across the globe, but their success has varied enormously between Europe and the developing world. Thus, ‘[d]iversity and complexity of regionalisms around the world’ should be noted carefully. That’s to say, it is arguable that the success of every regional organization should be judged on its own merit ‘because of the historical, political, economic, and normative differences’ (Acharya, 2016: 110) between each organisation and the EU experience. With the arrival of new and open regionalism in the 1980s, the Euro-centric approach was seriously challenged by the rapid spread of regionalism into other regions at the same time.

Actually, integration theories that account for the birth and development of European integration, such as functionalism or federalism, do not seem so relevant to explain the emergence and rise of regionalism in the other parts of the world. The most important point to stress here is that the European experience was based on avoiding another inter-state war and economic *integration* while other regions concentrated on preserving

their *independence* and gaining respect and post-independence legitimacy in the international system. Therefore, as one prominent analyst has stated, ‘the keywords in the developing world were regional cooperation, economic development, and nation-building (rather than regional integration and avoidance of war)’ (Söderbaum, 2016: 23-24).

Comparatively, European regionalism is characteristically more progressive than others because it has ‘aimed at taming nationalism (and sovereignty in the case of the EEC) by protecting and promoting human rights, democracy and the rule of law as key prerequisites for peace and prosperity’ (Acharya, 2016: 112). In contrast, non-Western regionalism is characterised by anti-colonialism, national liberation from colonial rule, the preservation of sovereignty and the avoidance of a great power rivalry in the Third World.

In terms of their scope and agenda, regional organizations can be either *single-purpose* (economically oriented or politically [security/military] oriented) or *multi-purpose*.

Economically oriented organizations generally focus on the economy and trade, while politically and security-oriented groups address non-economic issues and challenges. Economic and trade-focused regional organizations have received the most attention the literature on regional organizations and integrations. However, since the

1980s, old regionalism has been replaced by new regionalism. The latter is a more pluralistic and multifaceted process, and it thereby surpasses the closed, protectionist and introverted older model. Throughout this shift, the agenda of regional integrations has expanded from economic co-operation and trade liberalisation to new areas, such as investment, competition, services, intellectual property rights and digitalisation.

Security -and military- oriented regional organizations are mostly a by-product of the Cold War rivalry between the US and the Soviet Union. Some ceased to exist (e.g. the Warsaw Pact and WEU) or became obsolete (SEATO) in the post-Cold War period, but others (NATO) have survived and undergone significant transformation.

Socio-cultural purposes are largely secondary to other purposes, and there are few examples of regional organizations that are interested exclusively in socio-cultural issues. In this vein, of this, the present study focuses primarily upon the first two purposes.

THE PURPOSES OF REGIONAL ORGANIZATIONS

The founding documents of regional organizations have usually used the terms ‘purpose’, ‘aim’, ‘objective’ and ‘goal’ interchangeably. These organizations have generally had multiple purposes or complex goals, although single-purpose regional organizations also exist. These goals may vary across regions and have become more diversified over time. The EU is the leading example of multi- or general-purpose regional organizations (Börzel and Risse, 2016: 8). It is well known for its multiplicity of purposes because it aims to economically, politically, socially and culturally integrate with European nations. Its purposes have also changed drastically as integration has deepened and its membership has enlarged. Indeed, it has extended beyond its original purpose of creating a common market in Western Europe by seeking a political union among the whole continent – a goal still awaiting completion. While the European example has recently faced certain challenges, such as the Eurozone crisis or Brexit, the ongoing exit process of the UK from the EU, it arguably remains one of the most striking and successful regional integration projects. Compared to the

EU, the purposes of other integration schemes, such as those of Asia, the Middle East and Latin America, are less ambitious, though most have achieved these basic goals in the end. Nonetheless, some regional organizations have failed to do even that, which has resulted finally in their dissolution.

Geopolitical competition between rival regional blocs was a key driver of the rise of new regionalism in some parts of the world in the post-Cold War era. In this respect, the establishment of EFTA in 1960 was a response to the rival EEC. Additionally, ‘NAFTA can be interpreted as the US reaction to the fortification of the Single European Market and the emerging economic regionalism in Asia’ (Börzel, 2016: 45-46). ASEAN’s decision to constitute an ASEAN free trade area in the 1990s was also partly a response to the competition from NAFTA and the EU’s single market. At this point, it is possible to speak of a ‘domino theory of regionalism’ (Baldwin, 1995).

Regional blocs signify ‘the division of the world into protectionist spheres of influence and rival civilizations controlled by a few great powers’ (Gamble, 2007: 21).

Despite being considered rival trading blocs, regional organizations tend to set similar purposes and goals because they can easily emulate others who have already demonstrated success and maturity. The most notable example in this case is the EU, whose response to emulation often has been positive. This replication mainly encompasses decision-making processes, institutional designs, supranational courts and dispute settlement mechanisms. For example, the Organization of (OAU) was renamed the African Union in 2002, while ASEAN adopted a charter to create a Committee of Permanent Representatives as a body that resembles the EU Committee of Permanent Representatives, and it strengthened its secretariat as a sign of EU-style institutionalisation. CIS appeared to mimic the EU model of integration by signing accords to establish an economic union, a payment union and a free trade area. Both the East African Community and the Andean Community also heavily emulated the EU common market model and its institutional design. However, as one scholar has noted, ‘institutional developments in

Europe have widened the gap existing between EU and non-Western regionalisms. The very advanced state of EU regionalism undermines its claim to present a model for the rest of the world. Indeed, it might be argued that the gap between EU and Third World regional institutions has widened to the point where the latter can no longer realistically expect to emulate the former, even if it admires and is inspired by the former' (Acharya, 2016: 124). In this case, Europe remains only as an inspiration rather than a model for other regions. In addition, emulation can take place between South-South regionalisms; for example, the Latin American developmental model inspired South African regionalism. The newly created Pacific Alliance in the west coast of Latin America has also imitated some elements of MERCOSUR, while the 'ASEAN way' has been a role model for wider Asian regionalism.



Figure 2.2 Flag of African Union

Regardless, this tendency towards replication often seems contradictory the capacity of member states to fulfil the declared objectives. In fact, this similarity of goals prevents many regional organizations from performing sufficiently and meeting their proclaimed commitments. In other words, their imitation of an effective organisation does not necessarily produce the expected policy outcomes. Furthermore, regional organizations often appear to regionalise or localise the elements they emulate or replicate from other organizations, which renders them *sui generis*.

Despite similarities in the purposes and goals of regional organizations, their markedly different performances indicate an 'implementation gap', which has led to many regional organizations progressing far less than their successful equivalents. Most regional organizations in the Third World have been unable to achieve integration levels that are similar to that of the EU, although its putative model has inspired them. The Central American Common Market, the Latin American Free Trade Area (LAFTA) and the East African Community are among the most obvious cases at this point. In general, regional economic integration in the Third World has been 'much more rudimentary than in Europe, more obscure in purpose and uncertain in content' (Acharya, 2016: 115).



your turn 1

Discuss why and how regional organizations emulate or imitate each other. Given the Euro-crisis and Brexit, do you think that the EU is still a 'role model' or 'ideal type' to inspire other regional organizations?

The 'implementation gap' refers to the difference or vacuum between the declared goals and actual achievements of regional organizations.

As regionalism has become a global phenomenon, the purposes and goals of regional organizations have become increasingly heterogeneous. Such purposes and goals comprise the two main categories of economic purposes and goals and political purposes and goals as well as one supplemental socio-cultural purpose or goal.

Selected Examples of Single- and Multi-Purpose Regional Organizations

Single Purpose	Multi- or General-Purpose
- ASEAN REGIONAL FORUM	- BENELUX UNION
- EFTA	- NORDIC COUNCIL
- NAFTA	- EU
- LAFTA	- OAS
- LAIA	- ASEAN
- EurAsEC	- MERCOSUR
- ECO	- ANDEAN COMMUNITY
- APEC	- UNASUR
- NATO	- CELAC
- SEATO	- CARICOM
- WARSAW PACT	- PACIFIC ALLIANCE
- WEU	- CIS
- CENTO	- ARAB LEAGUE
	- GCC
	- AFRICAN UNION
	- ECOWAS

Economic Purposes and Goals of Regional Organizations

This first category is historically and traditionally founded on the EU model of integration. However, as regionalism has expanded into a worldwide trend, the purposes in this category have become more diversified. It is possible to distinguish between developed and developing countries when considering the purposes of economic regionalism. The aim of the former one is to realise economic *integration*, while the latter promotes economic *development*.

The Goal of Economic *Integration*

The purpose of economic integration shapes the content of its phases. By concluding regional trade agreements in the form of free trade or customs union agreements, countries seek to establish free trade areas or customs unions. Such regional agreements have been allowed by the GATT/WTO's multilateral trade system as "the only exception to its principle of equal treatment for all trading partners, based on granting all WTO members "most favoured nation" status' (Heywood, 2011: 483). State parties to these agreements may even wish to establish a common market, economic union or economic and monetary union directly or if prior phases of integration are successful.

Purposes of each Phase of Economic Integration

Free trade area: creating a free trade area with the removal of market barriers

Customs union: forming a customs union with the removal of trade restrictions and setting up mechanisms for common trade policy towards non-members

Common market: creating a common market by providing the free movement of factors of production (persons, capital, goods and services)

Economic (or economic and monetary) union: reaching a common economic and monetary policy among members by co-ordinating national macroeconomic policies

Full economic integration: harmonisation and unification of monetary, financial and social policies and the creation of supranational institutions

The purposes in each phase are designed according to a classical model that is based on Jacob Viner and Bela Balassa's integration theories. The EU integration has passed all but the last phase. The customs union phase was completed on 1 July 1968, 18 months earlier than the planned 12-year deadline of 1970. In 1985, the European Commission's White Paper set the goal of a common market, which the EU could only finalise in the end of 1992 with the creation of a single market in the wake of the economic crises of 1970s and the following Euro-pessimism. Thus, the fundamental objective of the founding Rome Treaty was finally achieved at last. In the late 1990s, the economic and monetary union (EMU) was established in fulfilment of an ambitious goal identified in the Maastricht Treaty of 1992, and the first Euro notes and coins were introduced in 2002. Currently, 19 of the 28 EU member states participate in the EMU and collectively constitute the Eurozone. The Union is now planning to deepen the EMU by 2025 in an effort to increase its unity, efficiency and democratic accountability in the face of the recent financial crisis in the Eurozone.

In economic terms, the success of regional organizations is generally measured by criteria such as trade diversion, trade creation, macroeconomic convergence and the completion of common projects. However, the most significant criterion applied in this regard is the organisation's degree of success in achieving 'market integration' as a sign of a high level of economic interdependence among member nations. An exception to this criterion is the rare example of non-market integration between former communist states of Eastern Europe. The organisation, COMECON, no longer exists, but it remains a historical integration model of planned economies of the former Soviet bloc.

Since the completion of its market integration, the EU has broadened its goals by adding non-economic aims in the realms of social, cultural and even security and political integration. Its success in these areas has been a benchmark for evaluating other integrations in terms of their goal fulfilment.

Comparison of the Evolving Aims of EEC and EU

EEC, The Rome Treaty (1957), Article 2	EU, The Lisbon Treaty (2007), Article 3 (abridged from the original article)
<p>It shall be the aim of the Community, by establishing a Common Market and progressively approximating the economic policies of Member States, to promote throughout the Community a harmonious development of economic activities, a continuous and balanced expansion, an increased stability, an accelerated raising of the standard of living and closer relations between its Member States.</p>	<ul style="list-style-type: none"> - promote peace, its values and the well-being of its citizens; - offer freedom, security and justice without internal borders; - sustainable development based on balanced economic growth and price stability, a highly competitive market economy with full employment and social progress, and environmental protection; - combat social exclusion and discrimination; - promote scientific and technological progress; - enhance economic, social and territorial cohesion and solidarity among member countries; - respect its rich cultural and linguistic diversity; - establish an economic and monetary union whose currency is the euro; - uphold and promote its values and interests and contribute to the protection of its citizens. It shall contribute to peace, security, the sustainable development of the Earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and the protection of human rights, in particular the rights of the child, as well as to the strict observance and the development of international law, including respect for the principles of the United Nations Charter.



Objectives of the EEC/EU <http://www.lisbon-treaty.org/wcm/the-lisbon-treaty/treaty-on-european-union-and-comments/title-1-common-provisions/4-article-3.html>; https://europa.eu/european-union/about-eu/eu-in-brief_en

The Objectives of NAFTA

NAFTA, Article 102: Objectives

1. The objectives of this Agreement, as elaborated more specifically through its principles and rules, including national treatment, most-favored-nation treatment and transparency, are to:
 - (a) eliminate barriers to trade in, and facilitate the cross-border movement of, goods and services between the territories of the Parties;
 - (b) promote conditions of fair competition in the free trade area;
 - (c) increase substantially investment opportunities in the territories of the Parties;
 - (d) provide adequate and effective protection and enforcement of intellectual property rights in each Party's territory;
 - (e) create effective procedures for the implementation and application of this Agreement, for its joint administration and for the resolution of disputes; and
 - (f) establish a framework for further trilateral, regional and multilateral cooperation to expand and enhance the benefits of this Agreement.



The Objectives of NAFTA <https://www.nafta-sec-alena.org/Home/Texts-of-the-Agreement/North-American-Free-Trade-Agreement?mvid=1&secid=5a1b5f25-8904-4553-bf16-fef94186749e>



Figure 2.3 Flags of NAFTA member countries

The Goal of Promoting Economic Development

In contrast to the examples from Europe and the developed world, regionalism in the developing world has been heavily influenced by concerns about underdevelopment. Indeed, '[u]ntil the 1970s, outside of the global core, regionalism was intimately interlinked with the idea of development' (Bruszt and Palestini, 2016: 374). Thus, the abovementioned traditional integration theories are inadequate to understand and account for this developmental regionalism.

The main goal of developing countries is to accelerate their development, which they achieve through the following actions:

- enlarging the market to gain from economies of scale and the potential for developing a competitive structure;
- pooling scarce resources essential for economic growth, such as capital, skilled labour, foreign exchange and entrepreneurship;
- avoiding unnecessary and uneconomic duplication in capital investment, research expenditures and the application modern technology' (Hitiris, 2003: 5).

This concern about development was most prevalent in Latin America, which was particularly devastated by the Great Depression in the 1930s. Structural transformation and industrialisation via the import substitution model could solve the problem of underdevelopment not only at the national level but also regionally. To this end, regional organizations have been needed to emphasise the promotion of economic

development rather than economic integration. The LAFTA, which was established in Montevideo in 1960 and included all Latin American countries, was the product of this dire need for development-oriented regionalism, but its economic impact remained quite limited. Indeed, Latin American regionalism has long been closed, protectionist and introspective in character, and it has exemplified old regionalism. However, since the 1990s, after the demise of the state-led developmental model based on import substitution, Latin American regionalism has pursued economic integration (in the case of MERCOSUR, a common market) across the continent in the age of new regionalism as an open and outwards-looking model of integration.

Purposes of MERCOSUR

PURPOSES, PRINCIPLES AND INSTRUMENTS

Article I

The States Parties hereby decide to establish a common market, which shall be in place by 31 December 1994 and shall be called the “common market of the southern cone” (MERCOSUR).

This common market shall involve:

The free movement of goods, services and factors of production between countries through, inter alia, the elimination of customs duties and non-tariff restrictions on the movement of goods, and any other equivalent measures;

The establishment of a common external tariff and the adoption of a common trade policy in relation to third States or groups of States, and the co-ordination of positions in regional and international economic and commercial forums;

The co-ordination of macroeconomic and sectoral policies between the States Parties in the areas of foreign trade, agriculture, industry, fiscal and monetary matters, foreign exchange and capital, services, customs, transport and communications and any other areas that may be agreed upon, in order to ensure proper competition between the States Parties;

The commitment by States Parties to harmonize their legislation in the relevant areas in order to strengthen the integration process.

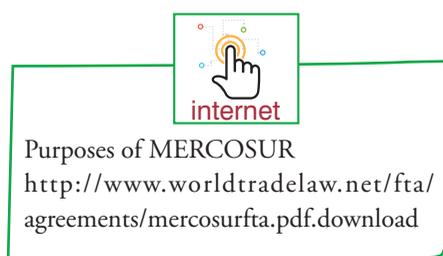


Figure 2.4

Source: <https://tr.wikipedia.org/wiki/MERCOSUR>

Theoretical and practical developments in European integration – and, to a lesser extent, the regionalism debate in Latin America – have also influenced regionalism in Africa, where the regionalism experience has been strikingly similar to that of Latin America: a desperate quest for a mercantilist, autarkic, protectionist and import-substitution-led industrialisation in order to counter the problem of underdevelopment. This design was based on pan-African ideals that opposed colonialism, external dependence and apartheid under the influence of the OAU, which was instrumental for ‘coordinating a common African stand against colonialism and apartheid’ (Söderbaum, 2016: 25).

Until the end of the Cold War, economic development was a secondary concern in Asia compared to Latin America and Africa. Regionalism in Asia was in sync with Africa in the sense that the main aims were

the survival and consolidation of newly independent nation-states as well as the preservation of stability across the region. Thus, the goal of economic development received considerably less priority. Since ASEAN was largely driven by these political factors, it did not play an important role in the economic development of the region until the 1990s. Since then, Asian regionalism has already surpassed the goal of economic development and has shifted its focus to market integration.

Meanwhile, in contrast with the EU, some regional organizations in the developing world have had narrow, modest goals rather than the aim of creating a free trade area or a common market, which would require deeper integration. Such organizations have instead concentrated on a partial integration in certain sectors or simply an economic 'co-operation', which is a much more superficial interaction than 'integration'. Compared to regional organizations that have emulated others but failed to match their success, these partial or superficial ones appear to be a choice rather than an underperformance on their part. In these situations, 'economic cooperation may focus on developing common infrastructure and overcoming inadequate physical connectivity rather than creating common regulation' (Vinokurov and Libman, 2017: 17).

Aims and Purposes of ASEAN

As set out in the Article 2 of ASEAN Declaration, the aims and purposes of ASEAN are:

1. To accelerate the economic growth, social progress and cultural development in the region through joint endeavours in the spirit of equality and partnership in order to strengthen the foundation for a prosperous and peaceful community of Southeast Asian Nations;
2. To promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries of the region and adherence to the principles of the United Nations Charter;
3. To promote active collaboration and mutual assistance on matters of common interest in the economic, social, cultural, technical, scientific and administrative fields;
4. To provide assistance to each other in the form of training and research facilities in the educational, professional, technical and administrative spheres;
5. To collaborate more effectively for the greater utilisation of their agriculture and industries, the expansion of their trade, including the study of the problems of international commodity trade, the improvement of their transportation and communications facilities and the raising of the living standards of their peoples;
6. To promote Southeast Asian studies; and
7. To maintain close and beneficial cooperation with existing international and regional organizations with similar aims and purposes, and explore all avenues for even closer cooperation among themselves.



The Aims and Purposes of ASEAN <http://asean.org/the-asean-declaration-bangkok-declaration-bangkok-8-august-1967/>



Figure 2.5



your turn 2

What is the main difference between the developed and developing worlds in terms of economic purposes of regional organizations?

Political Goals of Regional Organizations

Occasionally, non-economic objectives are more critical for regional organizations. The EU was a politically motivated integration from the outset, as it sought a supranational political integration, i.e. one resembling a ‘United States of Europe’, at the end of the economic integration. In contrast to the EU model, other regions have tended to set non-economic goals even if the level of economic integration among members is low or indicative of failure.

The Prevention or Preservation of Nationalism

The EU experience is compatible with the purpose of preventing nationalism. Indeed, the first phase of European integration was the creation of the now-defunct European Coal and Steel Community in 1951, which united the two bitterly hostile powers of France and Germany under one supranational body. Similarly, as the integration signalled a turning point with the establishment of the EEC in 1957, it ‘was basically conceived as a project to tame nationalism and constrain state sovereignty’. Alternatively, ‘non-Western regionalisms were inspired by exactly the opposite motivations, to advance nationalism and preserve sovereignty after centuries of colonial rule’ (Acharya, 2016: 115).

Developing a Common Foreign and Security-Defence Policy

The purpose of developing a common foreign and security-defence policy is also peculiar to the EU. Since the early 1990s, it has envisaged a common foreign and security policy with a final goal of a common defence between member

states against external threats. However, its record in crisis situations, such as the war in former Yugoslavia in the early 1990s, the Second Gulf War of 2003 or the Russian-Georgian War of 2008, did not meet high expectations, as the member states were sharply divided and pursued foreign and security policies based on their own national interests. Against this background, in late 2017, the EU ‘decided to awaken the “sleeping beauty” of the Lisbon Treaty – Permanent Structured Cooperation (PESCO) – which was initiated in 2009 as part of the Common Foreign and Security Policy’ (Noi, 2017). This joint defence co-operation initiative aims to enact the last stage of this policy, which may make the EU less reliant on the US in NATO. Thus, jointly developed defence capabilities through collaborative projects will be available for EU military operations in the future.

Challenging and Resisting the Dominance of Great Powers and their Interventions

This has not been an openly declared goal for any regional organisation, but it is sometimes an inherent, implicit or undeclared purpose. In the Western world, NATO has functioned as a transcontinental alliance to keep the US included, Russia excluded and Germany suppressed during the heightened Cold War rivalry. In 1955, NATO was counterbalanced by the Soviet-led emergence of the now-defunct Warsaw Pact. The ascending Soviet threat was also one of the driving and unifying factors behind the creation of the European Communities with the immense support of the US in the same period. However, there has been strong resistance to Western dominance and attempts to influence the direction and shape of regionalism in the Global South. This resistance is well suited to the sovereignty- and autonomy-focused regionalism of these peripheral regions. Latin America is a perfect example of this kind of regionalism. Indeed, ‘the idea of a strong, united, and autonomous Latin America vis-à-vis a United States- (US-) led pan-Americanism’ (Bianculli, 2016: 154) was one of the key drivers of Latin American regionalism. For some states in the region, such as Venezuela and Brazil, MERCOSUR was a tool for counterbalancing the dominance of the US within the continent.

This is linked with the rise of post-hegemonic and post-neoliberal regionalism as part of a quest for a united and independent Latin America. In Asia as well, as Risse (2016: 96) has suggested, ‘the “ASEAN way” of non-intervention in internal affairs and of informal—“soft”—institutionalism largely originated in direct opposition to EU and US efforts at pushing regional integration’. More recently, the ASEAN Regional Forum has aimed to both combat and capitalise on the rising Chinese influence in Southeast Asia. In addition, SCO has been generally deemed a bloc which has developed a strong opposition to the Western-led liberal world order and the growing US-NATO military and strategic presence in Central Asia in the post-September 11 era. Alternatively, GUUAM, which Georgia, Uzbekistan, Ukraine, Azerbaijan and Moldova formed in 1997, can be regarded as a counter-response to the reemergence of a Russian hegemonic influence in these former-Soviet republics.

Preserving Cultural Identity and Autonomy, Enhancing Statehood, and Boosting State Sovereignty and Political Regimes

Nationalism and national liberation movements in the Middle East, Asia and Africa accompanied, and even led, early stages of contemporary regionalism in the post-Second World War era. Pan-Arabism, pan-Africanism, pan-Americanism and European identity are among the most prominent unifying foundations for regionalist claims.

Regional organizations established in non-Western regions – particularly the OAU and the Arab League – played an emancipatory role in the liberation of these regions from their former colonial rulers. While their purpose was hardly economic integration or political union, these goals were neither imaginable nor achievable without independence.

A common cultural identity and sense of shared community has been an additional influential factor for regional organizations such as the EU, Nordic Council and the Andean Community. However, regional organizations also impact and

inform the construction and development of regional identities, and they have produced changes in identity on many occasions.

For some states, however, membership in a regional organisation has been a means to guarantee international recognition. In this way, most of these states needed these organizations in order to obtain international legitimacy for their domestic and external activities, especially those which are non-democratic, repressive or corrupt. These states might occasionally abuse this recognition for the sake of deterring domestic opposition to their policies. This recognition would become more critical if a state such as a former colony recently gained its independence and sought international legitimacy immediately for its national and international actions. This characteristic was rather particular to African regionalism, where countries tried to establish regional organizations to obtain recognition by the international community. However, it is not only newly independent or weak states but also autocracies that have pursued recognition and legitimacy by means of membership in a regional organisation.

Objectives of Organization of African Unity

The main objectives of the OAU were, inter alia, to rid the continent of the remaining vestiges of colonization and apartheid; to promote unity and solidarity among African States; to coordinate and intensify cooperation for development; to safeguard the sovereignty and territorial integrity of Member States and to promote international cooperation within the framework of the United Nations.



Objectives of Organization of African Unity
<https://au.int/en/history/oau-and-au>

Conflict Management at the Regional Level (as an Alternative or Complement to the UN's Universal Approach)

During the preparatory stages of the UN Charter, the Latin American states and the Arab League led efforts to provide regionalism with a strong place in the UN collective security system despite US insistence that the UNSC should not share its authority in managing the system. The former's pro-regionalist stance was driven by pan-American ideals that originated in the 19th century and was founded on active co-operation for security through peaceful conflict settlement throughout the whole continent. The proposal from Arab states that their newly adopted League Charter factor into the UN system was also noteworthy. The final compromise between these regionalist and universalist positions was that regional organizations would play a part both

- in the settlement of international disputes using peaceful means and without resort to the UNSC and
- in the conduct of collective security system under the strict control of UNSC in accordance with the Chapter VIII of the Charter (entitled Regional Arrangements).

Without UN authorisation, regional organizations could not act on their own in any enforcement action in a conflict situation. Regionalism became 'more relevant as the authority of UNSC was undermined by the Cold War stalemate between the US and the Soviet Union' (Acharya, 2016: 113).

UN Charter, Chapter VIII Article 53 (1)

The Security Council shall, where appropriate, utilize such regional arrangements or agencies for enforcement action under its authority. But no enforcement action shall be taken under regional arrangements or by regional agencies without the authorization of the Security Council, with the exception of measures against any enemy state, as defined in paragraph 2 of this Article, provided for pursuant to Article 107 or in regional arrangements directed against renewal of aggressive policy on the part of any such state, until such time as the Organization may, on request of the Governments concerned, be charged with the responsibility for preventing further aggression by such a state.



UN Charter <http://www.un.org/en/sections/un-charter/chapter-viii/index.html>

Social and Cultural Goals of Regional Organizations

Social and cultural issues and concerns are sometimes among the purposes of regional organizations. The problem areas of education, women, health, unemployment, poverty and social exclusion are the most frequently referenced issues in the main texts and documents of regional organizations. Regional organizations sometimes have had to perform tasks to manage these issues and problems although they have been comparatively less prioritised by the regionalist agenda.

THE ROLES OF REGIONAL ORGANIZATIONS

As both their number and the scope of their activities have considerably expanded with globalisation, many regional organizations today have multiple roles that emanate from the complex tasks and functions that they have assumed. Since the end of the Cold War, non-traditional security threats and challenges have been an area of interest for regional organizations, while the regional rather than national level has

been a more appropriate domain to cope with them effectively. Acharya has advocated for this view by highlighting that '[r]egionalism is a constantly changing and evolving phenomenon and has seen major developments in the past decades in response to the end of the Cold War, the rise and fall of the "unipolar moment," the proliferation of transnational challenges (such as climate change, terrorism, financial volatility, etc.), and other shifts in global power and normative structures' (Acharya, 2016: 123).

The life span and survival of regional organizations have been closely linked with the changes in their roles. There are a few examples of regional organizations that disappeared completely. For instance, the Arab Cooperation Council that was founded in 1989 by Iraq, Egypt, Jordan and Yemen could not survive the Gulf War of 1991, as Saddam's Iraq invaded Kuwait, and member states found themselves on opposite sides during the war. In most cases, however, they manage to survive by gradually becoming a different regional entity through a process of evolutionary transformation in their goals and functions. 'In some cases, regional organizations originally created to promote economic integration assume political or even security functions, making significant progress in these areas' (Vinokurov and Libman, 2017: 2). One such case is ECOWAS. Although its original goal was economic integration, ECOWAS had to contend with political issues and disputes. In other cases, some regional organizations initially emerged with non-economic goals but eventually undertook economic functions. A prime example is ASEAN, which emerged to address the rise of the communist threat in Southeast Asia but evolved into an economic community over time. The Central Treaty Organization (CENTO) was also intended as a regional security pact in the Middle East during the Cold War years until it transformed into a regional economic co-operation scheme under the name of the Regional Cooperation for Development.



Figure 2.6

Source: <http://www.mfwa.org/publication/know-your-ecowas/>

To respond to the question of which goals or functions regional organizations may adopt, the present study examines the assumptions below: regional organizations as a hegemon's sphere of influence; a conflict management or resolution tool; a talking point for regional leaders; a way to advance private interests and extract rent; and an agent of global governance on issues ranging from deeper economic integration, dispute settlement, peacekeeping, humanitarian intervention and state building to the protection of democracy and human rights, environmental pollution, migration, criminal activities, disaster relief, social rights and gender problems.

Serving the Interests of a Hegemonic Power (Hegemonic Regionalism)

Regions and regionalism have generally been subject to direct or indirect influence of intra- or extra-regional hegemons and pivotal states. Börzel (2016: 45) has contended that '[p]owerful states facilitate the emergence of regionalism in pursuit of economic or geopolitical interests. The US, China, Russia, South Africa, or Nigeria supported and engaged in region-building in order to strengthen military alliances, promote stability in neighboring countries, or secure access to new markets, cheap labor, water, and energy resources'.

To illustrate, by 2005, U.S. administrations sought to lead a hemispheric free trade area (FTAA) that would extend from Alaska to Chile in line with its neoliberal trade liberalisation agenda, but the rise of left-leaning and anti-American leaders and regimes in Latin America strongly resisted this. The role of the US in the formation and development of the European integration and ASEAN was also critical, as it assumed considerable security commitments to these regions as a hegemonic power against the Soviet threat during the Cold War. The US-led or US-induced regional alliance networks, including NATO, SEATO and CENTO (formerly the Baghdad Pact), are typical examples of such security commitments. Historically, these security pacts have been part of the global 'containment' strategy of the US against the spread of Soviet communism.

Russia has also actively promoted regionalism in its backyard, which can be regarded as a counterweight against Western efforts, especially those of the EU, in the same areas. The result is the emergence of 'competitive and mutually exclusive Western and Russian/Eurasian regionalisms confronting each other in the post-Soviet space' (Schimmelfennig, 2016: 181). The Ukraine Crisis in 2014 between Russia and the West was closely linked with this confrontation, as the root cause of the crisis was Kiev's decision to make an association and free trade accord with the EU instead of partnering with Russia and the Russian-led Eurasian customs union.



Figure 2.7 Central Asia

China is also enthusiastic about further economic integration within the security-focused SCO as part of its ambitious Belt and Road project, which extends from Beijing to London through Central Asia, South Asia and Africa. Meanwhile, it is pursuing a closer partnership with ASEAN in the wake of the waning U.S. presence in the region after Washington's withdrawal from the Trans-Pacific Partnership under President Trump.

Lastly, as pivotal states, Nigeria in West Africa and South Africa in Southern Africa have assumed prominent roles in promoting regionalism through their influence in their respective regions.

Being a Communication Tool between Regional Political Leaders (Talking Club)

Regional organizations can also facilitate summit meetings between member country leaders and high-level officials, although this is not one of their official purposes. They act more as a ‘talking club’, though this is not to say that this function is obsolete. Indeed, they have often been convenient platforms for regular communication about diverse issues. This function is critical in regional organizations whose members are developing nations since they generally struggle to meet on a regular basis. APEC, LAIA and SCO are primary examples of the talking club function in economic matters in particular. Latin American regional organizations, such as UNASUR and ALBA, are also reliant on ‘intergovernmental mechanisms where presidents play a key role’ (Bianculli, 2016: 162). The Arab League’s summit conferences, where Arab leaders often met, sometimes even overshadowed the role of main institutional bodies inside this organisation.

Extracting Rent and Promoting Private Interests (Patronage Politics)

Regional organizations may also serve as a source of rent-seeking by its members. Particular groups – most notably bureaucrats who work at both the national and regional levels as well as politicians – try to affect policy outcomes in certain regional organizations, especially African ones, to seek rents, such as revenues, generous budgets, rewards, benefits or salaries from large projects in which the organisation is involved. The role of regional organizations in this regard can be viewed as the ‘dark side’ of regionalism.

Rent-seeking refers to a situation in which regional organizations ‘are seized by particular groups who use regional integration (e.g., large projects) as a source of revenue’ (Vinokurov and Libman, 2017: 18).

Participating in Global Governance (Regional Governance)

Because many past issues and problems at the national level have now become global in character, regional governance regimes have increased their salience in addressing them. Regional governance is one layer of multi-layered global governance that rests above the national level and below the global level of governance. Here, global governance refers to a situation in which only new actors and methods can handle and solve global issues. Such actors and methods include regional organizations and regional governance regimes, respectively, rather than national governments, which remain unable to effectively cope with these issues. In fact, as Kahler (2017: 98) has argued, ‘[r]egional organizations possess additional advantages that are related to their specialized roles. They can mobilize local knowledge more effectively than their global peers, whether in development lending or peacekeeping. In part because of local knowledge and in part because of a policy mix closer to member preferences, regional organizations may benefit from greater legitimacy as well’.

The UN and other global organizations, such as the WTO, the IMF, the World Bank and the OECD, which are known as the champions of neo-liberal globalisation, have dominated the proliferation of global governance regimes on numerous wide-ranging issues to the recipient regions. They are accompanied by the EU as one of the principal promoters of global governance standards and arrangements in its engagement and co-operation with the non-Western world. To this end, Brussels has utilised inter-regional co-operation as a leverage to influence the course of other regional organizations towards compliance with the principles and norms of good governance and their diffusion in the internal orders of their members. By emulating the EU, other regional organizations such as Mercosur, ECOWAS and ASEAN ‘have increasingly defined institutional requirements for “good governance” which their members have to respect’ (Börzel, 2016: 52). Therefore, regional organizations have emerged as key autonomous players in governance transfer in the sense that they ‘constitute an intermediate level of agency between the nation-state and global institutions’ (Börzel and van Hüllen, 2015: 3). Here, they can employ a variety of hard and

soft mechanisms and tools, such as sanctions, incentives and rewards, assistance, persuasion or political dialogue, to influence their members and third countries.

Regional governance is defined 'as institutionalized modes of social coordination to produce binding rules and/or public goods and services in one or several issue-areas at the regional level' (Börzel and Risse, 2016: 9).

Today, both state and non-state actors drive regional governance. Therefore, within this multiplicity of agencies that formally and informally interact with each other at all levels, 'regionalism is expanding and becoming more important in many more policy fields' (Söderbaum, 2016: 31).

Regional Economic Governance

In the modern globalised world, regional economic governance includes promoting deeper economic integration beyond economic development. As European integration intensified, the developmental focus of non-European regionalism shifted towards engaging in more involved forms of economic, financial and even monetary integration 'once the constraints of geopolitics had loosened' in the post-Cold War era (Börzel, 2016: 41). Indeed, in this era of new or open regionalism, ASEAN, MERCOSUR and ECOWAS are ready to advance their level of integration by co-ordinating their macroeconomic policies and delegating more powers to regional institutions to achieve economic or monetary unity. In 2015, ASEAN completed the process of an EU-like economic community that resulted in a near-single market. Similarly, MERCOSUR sought to finalise the goal of creating a fully-fledged common market between member states throughout the 2000s, while ECOWAS pursued a customs union and monetary union between all member states in West Africa under a treaty signed in Dakar in 1994.

The factors underlying this surge of integrationist economic regionalism were as follows: the rising popularity of export-led growth in the developing

world; the rapid transition of ex-communist Central and Eastern European economies into the market economy that ultimately brought them EU membership; the emergence of the WTO and the increasing salience of regionalism as a way to acquire a better place and more leverage in multilateral global governance; the attitude shift of the US away from championing multilateralism towards supporting and participating in (via NAFTA) regionalism in the post-Cold War period; and, finally, the process of globalisation which gained a new momentum and pace in the 1990s. As Heywood (2011: 488) has explained, '[r]egionalism became increasingly attractive as rapidly expanding global capital flows and an increasing trend towards transnational production patterns appeared to undermine the viability of the state as an independent economic unit. Regionalism was thus reborn as a mechanism through which states could manage the effects of globalization'.

Regional Dispute Settlement

In the field of legalised regional trade dispute settlement, there has been a recent surge in regional courts despite some regions lagging in the same respect. In Europe, the European Court of Justice, the EU's main legislative body, has been one of the most effective judicial bodies in solving trade disputes, while NAFTA has a binding dispute settlement mechanism on the other side of the Atlantic. In Latin America, MERCOSUR allows 'for inter-state adjudication of disputes by arbitral panels, whose rulings can be appealed to a Permanent Review Tribunal' (Alter and Hooghe, 2016: 540), and the East African Community has a regional court as well. Unlike NAFTA and others, however, there are no legally binding dispute settlement arrangements or courts in Asia, as states in the region prefer to access WTO- or IMF-based dispute settlement mechanisms. Permanent regional courts for international dispute settlement in Asia have been non-existent in accordance with its low level of regional institutionalisation, but there are many arbitral centers and panels across the region. This state of affairs in dispute settlement resembles that of peacekeeping and conflict mediation, which has not or only recently arrived in the region.

Regional Security Governance

This form of regionalism involves taking security-related hard responsibilities on terrorism, conflict prevention and resolution, humanitarian intervention, peacekeeping and peace-building, and state-building. Regional organizations have assumed new and key roles in settling conflicts and securing peace and stability across their respective regions and beyond. These responsibilities represent a break from marginal roles in the past. From 1946 to 2016, 13 regional organizations have conducted a total of 65 peace operations. Europe and Africa have been the main venues for regional security governance, while the Middle East and Asia have remained elusive in this respect. As some analysts have noted, 'the end of the Cold War created greater urgency for managing regional security at the regional level' (Kacowicz and Press-Barnathan, 2016: 301). To this end, regional organizations have had to undertake and perform challenging roles and tasks that extend far beyond their original purposes or goals. In the post-Cold War era, the overburdened UN actually encouraged such organizations to assume a more active role in managing regional security. Thus, as the main supplier of regional security governance, the UN provided 'regional organizations with the capabilities, professional training, political and normative backing to play a more active role in managing and resolving conflicts, especially through peacekeeping' (Kacowicz and Press-Barnathan, 2016: 304).

By contrast, the role of regional organizations as Chapter VIII of the UN Charter specifies has not developed in accordance with the stipulations of the legal framework of this text. In terms of carrying out their designated security tasks, regional organizations have acted inconsistently with original provisions of the Charter while sometimes extending beyond the framework of their own official documents. In cases of the UNSC's inefficiency due to the veto system, they have undertaken certain missions, even without the UNSC authorisation, and have thus tended to broaden their powers and autonomy against UN member states. NATO's Kosovo Operation in 1999 against Serbian aggression, which was the first extensive use of force in the alliance's history, is a typical example, as alliance members conducted

it under the leadership of the US with no UNSC authorisation. Following the Kosovo war, NATO undertook a peacekeeping mission called KFOR in Kosovo. This was its second operation of a similar type, as it had already deployed a peacekeeping force called IFOR in Bosnia after the Dayton Peace Accord in 1995 that ended the bloody conflict in the former Yugoslavia. Similarly, the anti-rebel military operations of ECOWAS in Liberia and Sierra Leone are also simple instances of unauthorized enforcement action that thereby result in a violation of the UN Charter.

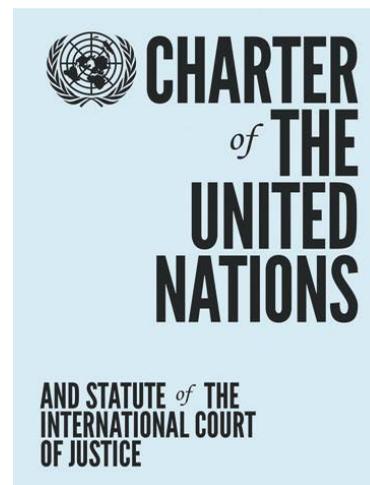


Figure 2.8

Source: <http://www.un.org/en/charter-united-nations/index.html>

The mission of NATO in Afghanistan between 2003 and 2014 was the longest in its history, and it demonstrates the complexity of tasks that regional organizations may assume in the post-September 11 era. In 2003, the alliance members and their partners undertook the command of ISAF, the UN-mandated operation which was launched following the US occupation of the country in 2001 and aimed to help Afghan authorities fight terrorism and deliver security and stability to the war-torn Afghanistan. After the completion of this combat mission in late 2014 and the takeover of responsibility for security by the Afghans, NATO allies and partners launched a new non-combat mission to train and assist Afghan security forces in January 2015, thereby continuing their engagement in the process of state-building in a more gentle manner.

In the Libyan crisis of 2011 that resulted in the overthrow of the Gaddafi regime, the Arab League played an important role in providing regional legitimacy to the NATO-led intervention after its authorisation of a no-fly zone over the country for the protection of civilians while the EU was imposing heavy sanctions. During the crisis, NATO not only monitored the no-fly zone but also conducted air operations against the government forces. This operation was regarded as an application of the ‘responsibility to protect’ (R2P) principle since the alliance’s declared aim was to protect the civilian population from the brutality of their government. However, the regime change as a consequence of the military operation demonstrated that the intervention exceeded the limits of the R2P principle, which hence invoked harsh criticism by many African states that were in favour of ‘African solutions to African problems’.



The R2P principle is a highly contested and still-evolving concept. At its core is the international community’s protection of threatened civilian populations from the wrath of their own governments in case of serious crimes, such as mass killings or genocide. Recent crises in Libya and Syria have exacerbated the debate over this concept.

However, there are instances of regional organizations that acted in accordance and co-operation with the UNSC authorisation. Examples include the African Union and UN’s hybrid peacekeeping operation in Sudan’s Darfur region on the basis of UNSC Resolution 1769 of 2007 and the EU’s Artemis Operation in Democratic Republic of Congo, which was authorised by the UNSC Resolution 1484 of 2003. Beyond this, the EU also undertook peacekeeping missions in Europe’s conflict-prone zones, such as Bosnia, Kosovo and Macedonia, during the 2000s in the framework of its newly developing security and defence policy.

In addition to NATO and the EU, the OSCE has also ‘been a pioneer in championing a comprehensive notion of security, including

the human and politico-military dimensions, disarmament, arms control and confidence-building measures (CBMs), the economic and environmental dimensions, rule of law and the fight against corruption, as well as the linkage among democracy, prosperity, and security’ (Kacowicz and Press-Barnathan, 2016: 307). Following the September 11th terror attacks in 2001, even NAFTA felt the urgency to forge security co-operation in areas of terrorism, drugs and migration despite its trade-focused agenda.

In Africa, some regional organizations ‘received quite comprehensive political mandates dealing with electoral observation, corruption, the protection of democracy, and crisis prevention’ (Hartmann, 2016: 275). Both the African Union and ECOWAS have developed institutional mechanisms that are similar to those of the UNSC in order to impose sanctions, including the use of force and humanitarian interventions. These moves represent a significant break from their past understanding of the non-violability of existing borders and non-interference in domestic affairs of member states. Having adopted the R2P principle, the African Union has really been keen to engage in humanitarian interventions and peacekeeping missions, as evidenced by its recent operations in Burundi, the Comoros, Sudan and Somalia as well as its dispatch of troops to UN-led peacekeeping operations in several parts of the continent. Long before the emergence of R2P norms, ECOWAS had carried out the first humanitarian interventions in Liberia in 1990 and in Sierra Leone in 1997, with dubious success.

In Latin America, inter-state conflicts are largely absent but regional organizations such as OAS and UNASUR are not designed to cope with non-traditional security threats, as their state-centred character is more capable of collectively handling international security and peace. Indeed, OAS, for instance, has imposed conflict management through collective arrangements since the beginning of the Cold War, although its efforts in achieving this goal have remained largely ineffectual. In the post-Cold War period, however, it would assume successful conflict management and resolution tasks, as exemplified by its mediation efforts between Venezuela and Guyana in 1997, between Belize and Guatemala in 2003 and between Colombia and Ecuador in 2008. Also, ‘UNASUR took action to

prevent democratic breakdowns in Bolivia (2008) and Ecuador (2010), as well as to reduce border tensions between Colombia and Venezuela (2010)' (Kacowicz and Press-Barnathan, 2016: 312).

Asian regional organizations, such as ASEAN Regional Forum and SCO, have adopted OSCE-led military confidence-building measures, as the former organisation also helped these measures diffuse to South Asia. The conflict management efforts of ASEAN as conducted through the informal and consensus-based framework of 'ASEAN way' principles and norms have been mostly successful in solving disputes between member states, such as the conflict between Malaysia and the Philippines. Beyond this, however, ASEAN has been hyper-cautious about leading peace-building operations or humanitarian interventions in its region.

Regional security governance has not functioned well at all in the Middle East. Neither the Arab League nor the GCC was effectual in countering both traditional and non-traditional security challenges facing the region. The commitments of member states remained largely on paper, which rendered their contribution to regional stability and peace rather negligible.

Regional Democracy and Human Rights Governance

The attitudes of regional organizations towards democracy promotion and human rights vary widely according to local needs and conditions. Such variation is apparent in regionalism examples around the world that have demonstrated remarkably different stances regarding these issue areas.

For the EU, democracy and human rights governance is vital for its posture as the global champion of democracy and human rights norms. Indeed, the EU is genuinely keen on promoting democracy both internally and externally. Internally, EU member states have to comply with the democratic principles and norms. In case of non-compliance, they face heavy sanctions, including the suspension of a member state's voting rights in the union under Article 7 of the Lisbon Treaty, which stipulates those sanctions in case of a serious breach of EU values. One recent case is Poland, which the European Commission accused of undermining democracy in late 2017 in response

to the Polish government's disputed judicial reforms. If any sanction is imposed, it will be the first case in EU history. Externally, any European country that wishes to join the union must meet the Copenhagen political criteria that depend on freedom, democracy, human rights and the rule of law as a precondition to advance its accession process. Meanwhile, the EU does not hesitate to incorporate specific provisions for democracy and human rights protection in its engagement with Third World countries, as was the case with its preferential trade agreements concluded with African, Caribbean and Pacific (ACP) nations. Therefore, the democratic quality of states and their respect for fundamental rights are linked with those seeking prospective membership, association or partnership with the EU, which is dubbed the 'teacher of norms' (Börzel and Risse, 2012: 7) in this linkage. This is also the case with NATO, which identified democracy, human rights and civilian control of the military as necessary conditions for membership in the alliance. Similarly, OSCE and CoE promote liberal democratic values across wider Europe, but unlike the EU or NATO, their approach is not based on conditionality.

In spite of the contribution of the EU to the democratisation of Europe, 'it is more debatable to what extent the EU is able to stabilize democracy once countries have joined. Recent illiberal developments in Central and Eastern Europe put into question the finding that backsliding has not happened', and 'the EU has long been associated with a "democratic deficit"' (Schimmelfennig, 2016: 192).

In non-Western regionalisms, democracy promotion has not usually been among the goals of regional organizations until recently. This is the case in Asia, despite its higher level of economic regionalisation in comparison with other non-Western regions, and it concerns the existence of state-led capitalism under strong leaders and the prevalence of illiberal regimes in the region. Asian regional organizations, such as ASEAN, are also not so willing to delegate sovereignty and generally take issue with the idea of humanitarian intervention, although they have respect for certain human rights norms. Nonetheless, even in the case of this politically distinct Asian regionalism, there has been some modest progress in embracing democratic practices, albeit selectively. For example,

SCO, which mostly consists of authoritarian regimes, has recently developed a system of election monitoring. Likewise, CIS has had an election monitoring system since 2002, although it has never been effectual in practice.

In Latin America, where democratic governments were often overthrown by coup d'états throughout the Cold War years, regional organizations have survived the political instability and chaos caused by failed military regimes. In fact, Latin American states 'conceived regional organizations as a means of domestic democratic consolidation, while also coping with their own "democratic deficit"' (Bianculli, 2016: 162).

In Africa, where authoritarian regimes are still dominant in some countries, regional organizations such as the African Union have been particularly intrusive in preventing unconstitutional changes of government and reestablishing democracy and elected political leaders following coups, even by threatening the use of force or economic sanctions if necessary. As Hartmann (2016: 285) has highlighted, '[m]ilitary or civil coups d'état have regularly led to the suspension of the respective states from the organizations, to diplomatic missions with the aim to restore the constitutional process, and to economic and military sanctions in some cases'. More recently, both the adoption of the Protocol on Democracy and Good Governance by the ECOWAS in 2001 and an African Charter on Elections, Governance, and Democracy by the African Union in 2007 are noteworthy.

The record of the Middle East in democracy promotion is rather bleak: 'Instead of promoting democracy and respect for human rights, the Arab League has traditionally been a 'club of and for authoritarian Arab states' (Valbjørn, 2016: 265). The fact that the most fruitful meetings within regional organizations have concerned both the co-operation in internal security between interior ministers and the sharing of intelligence proves this rather depressing outlook. One recent case of this security-oriented attitude has been the GCC's violent role in oppressing the peaceful protests in Bahrain through the use of Peninsula Shield Forces during the Arab Spring.

The field of human rights protection has made some progress towards the global proliferation of regional human rights protection schemes and mechanisms by mostly emulating or mimicking the

European-based examples. Indeed, the European region under the CoE's human rights protection regime undisputedly has 'the most advanced and effective' (Pevehouse, 2016: 499) human rights protection and enforcement system in the world. Because of its success, '[t]he EU is also in the process of adhering to the European Convention of Human Rights of the CoE and thus becoming subject to the jurisdiction of the European Court of Human Rights' (Schimmelfennig, 2016: 181). The EU also adopted a Charter of Fundamental Rights, which took effect when the Lisbon Treaty came into force in 2009. However, the charter has no enforcement or monitoring mechanism in case of non-compliance by member states. The European model focuses more on promoting and protecting political rights, but other regions mostly promote and seek to protect economic, social and cultural rights.

In Africa, an African Court on Human and Peoples' Rights was set up in 2004 by virtue of the African Charter on Human and Peoples' Rights adopted by the OAU in 1981. It commenced trials in 2006 and delivered its first judgment in 2013. Also, '[t]he ECOWAS Court of Justice obtained the competence to rule on human rights violations through an individual complaint procedure since 2005' (Hartmann, 2016: 282). In only this region, regional organizations may formally opt for military intervention in case of the violation of human rights.

In the Western hemisphere, '[t]he Inter-American Commission on Human Rights was a relevant actor during the 1970s and 1980s, when dictatorships and human rights violations swamped the region' (Bianculli, 2016: 165). Later, the Inter-American Court of Human Rights and the Andean Community Court of Justice were essential to the protection of human rights in Central and Latin America. More recently, MERCOSUR adopted a Protocol of Human Rights in 2005 and introduced new institutions to promote human rights.

In Asia, there has been some progress on the regional level towards the protection of human rights. For instance, ASEAN, which has no mention of human rights protections in earlier official documents or declarations, attempted to form its first institutions responsible for human rights by signing the ASEAN Charter in 2007. Subsequently, it introduced the Intergovernmental

Commission on Human Rights in 2009, but it included no enforcement mechanisms. The ASEAN Human Rights Declaration was also made public in 2012. These steps were a break from ASEAN's earlier posture towards the norm of non-interference.



Figure 2.9 South East Asia countries

In the Middle East, regional organizations in the field of human rights protection have had a rather gloomy role. Despite the adoption of an Arab Charter on Human Rights by the Arab League in 2004 that entered into force in 2008, 'this had less to do with a new commitment among the Arab regimes to protecting human rights. On the contrary, it was a deliberate move to fend off external attempts at interference in domestic and regional affairs' (Valbjørn, 2016: 263). Therefore, Middle Eastern regionalism hardly succeeded in liberalising or democratising the region.



your turn 3

Compare the track record of regional organizations in terms of their roles in the promotion and protection of democracy and human rights.

Regional Environmental Governance and Disaster Relief

This form of regional governance is instrumental in handling environmental problems and natural disasters. Global institutions such as UN organs and agencies have long been perceived as more powerful and capable norm-enforcers than regional organizations in the area of environmental protection. As a complement to global environmental agencies, however, regional organizations have recently started to crucially address environmental threats and disaster relief, although most have been Western organizations that have yielded varying degrees of success.

One such case is NAFTA. A side agreement called the North American Agreement on Environmental Cooperation (NAAEC), which led to the formation of a Commission for Environmental Cooperation, was incorporated into NAFTA in 1994 to combat unprecedented environmental damage caused by the free trade among three contracting parties. However, its track record in coping with the environmental degradation and protection was mixed at best.

The EU has also been active in environmental regionalism by setting high standards and developing effective policies and strong institutions, such as the Environment Directorate, which have made decision-making in this field immensely complex. These standards have also been part of membership conditionality for aspiring Central and Eastern European states.

As for disaster relief, NATO responded to the devastating earthquake in Pakistan in 2005 by supplying aid and dispatching medical teams and engineers to the country on its request. This was definitely another non-Article 5 mission for the alliance. In Asia, ASEAN imitated the EU's disaster management mechanism in coping with the Indian Ocean tsunami in 2004, while SAARC's Disaster Management Center was introduced in 2006. In the Western hemisphere, OAS set up an Inter-American Committee on Natural Disaster Reduction in the early 1990s.

Regional Social, Medical, Educational, Migratory, Criminal and Gender Governance

This kind of regional governance covers humanitarian issues and challenges as well as transnational criminal activities, including the following: migration; education; pandemics; human, arms and drug trafficking; corruption; money laundering; refugee flows; piracy; social rights; and gender inequality.

Non-traditional security issues and threats have been on the agenda of regional organizations as the agents of global governance, especially in the post-Cold War era. These transnational issues and challenges no longer stop at national borders; national governments are mostly unable to tackle them on their own and are more willing to delegate additional power and authority to regional institutions for this end. In this way, regional organizations not only further their problem-solving capacity but also increase their legitimacy. As for social and gender issues, some regional organizations, including the EU, CoE, NAFTA and UNASUR, have incorporated social policies and gender equality into the goals in their original founding documents, while others have totally refrained from mentioning them or at best adopted some modest goals in this respect. The following are some examples.

In North America, NAFTA was the first regional organisation to sign a side agreement on labor rights with an accompanying agency called North American Agreement on Labor Cooperation (NAALC). In 2003, ASEAN also adopted the goal of creating a socio-cultural community that covered social rights and gender equality. While CoE has been one of the most effective regional organizations in protecting woman's human rights, the EU has been more focused on social rights through its European Social Charter.

Regional organizations have recently assumed some key roles in responding to pandemics and diseases. For example, ASEAN embodied the HIV/AIDS norms of UN's global framework UNAIDS in an attempt to counteract the spread of these diseases. In the summer of 2014, when the Ebola pandemic swept across several West African nations, the African Union immediately formed the African Union Support to Ebola Outbreak in West Africa (ASEOWA), which led a military and civilian humanitarian mission in an effort to prevent the spread of the fatal disease.

With regard to regional anti-corruption regimes, many regional organizations, including ECOWAS, the African Union and the Arab League, introduced anti-corruption conventions during the 2000s. Before that, however, OAS, the EU, OECD and CoE had already adopted similar anti-corruption conventions or treaties. Among these, OAS 'was the first to adopt a binding treaty dedicated to anti-corruption' (Lohaus, 2015: 159) with the signing of the Inter-American Convention Against Corruption.

Regional organizations have started to increase their efficacy in addressing criminal activities. One such case is the Regional Task Force on Crime and Security founded by CARICOM in 2001. This task force sought to resolve security challenges due to illicit drugs, arms and money laundering. In addition, in order to combat the threat of piracy, NATO allies have been conducting a naval patrolling mission (Operation Ocean Shield) off the coast of Somalia since 2009.

Education and training are among the functions of some multi-purpose regional organizations. The EU is a suitable example, as it offers educational and training programs, such as Erasmus, which enable students from across the continent to

benefit from exchanges and visits between European universities. Moreover, it provides generous funds for projects that aim to improve the quality of education within member and aspirant countries.

Regional migration governance has been a relatively new area of interest for regional organizations apart from earlier examples, such as the EU and ECOWAS. The EU example is known for its regional approach to internal and external migration flows in line with its regional integration scheme, which covers the free circulation of labor (later people) within the single market: '[a]mong the regional integration frameworks, the EU has the most comprehensive migration regime addressing mobility, social rights, security, and providing for supranational enforcement mechanisms' (Lavenex et al., 2016: 461).

In 2016, NATO decided to address the refugee and migrant crisis in Europe by deploying a maritime force in the Aegean Sea to perform monitoring, reconnaissance and surveillance missions to stop illegal activities at the request of Germany, Greece and Turkey and in co-operation with the EU's Frontex Agency.

ECOWAS is among the most advanced regions in regard to the free movement of people, as its founding treaty stipulates this as a basic element of the common market goal. It has one of the most liberal migration regimes, although its implementation was problematic in many cases. In addition, ECOWAS formed the Economic Community of West African States Monitoring Group (ECOMOG) as its military arm under the leadership and sponsorship of Nigeria in order to cope with the region-wide refugee problem.

In Latin America, MERCOSUR, which adopted the free movement of workers alongside other factors of production within the common market, has followed an open door policy to intra-bloc migration and has thereby become an inspiring model for the whole sub-continent. However, similarly to that of the EU, this liberal policy is limited to internal migration and does not cover the external migration flows at all.

Other regional migration governance regimes, such as that of NAFTA, are less liberal and strict than those of the EU or ECOWAS in terms of the regulation of migration. Because the migration is regarded through trade lenses, the NAFTA regime 'covers selected categories of (skilled) workers, with limited market access and duration of stay' (Lavenex et al., 2016: 465). This trade-oriented posture is also the case for the majority of the Asian regional migration governance system. The ASEAN regime accepts only the temporary free movement of skilled labor and professionals. Through an intergovernmental consultation mechanism called the Bali Process, ASEAN members and their regional partners have been co-operating on people smuggling, human trafficking and other related transnationally organised crimes since 2002.



Figure 2.10 South America

LO1

Understand the variety of purposes and goals that regional organizations pursue in the international system

There has been a great surge in the number of regional organizations since the early Cold War years, and there is almost no state that is not a part or member of a regional organisation across the world. However, more important than the quantitative increase in the number or membership of regional organizations is the qualitative changes in both the level of regionalism and the scope and coverage of regional organizations that led them to alter their original purposes and roles. The original purposes of regional organizations have seemingly changed and expanded in the post-Cold War era under the effects of globalisation. Both single-purpose and multi-purpose regional organizations have been subject to this transformation in their original purposes and roles. In terms of economic purposes, economic co-operation or integration has been the declared goal of every regional organisation, while regional organizations in the developed and developing world have acted with distinct motives and different institutional styles in achieving these goals. The main purpose of the former one has been to complete economic integration, whereas the latter has focused on the economic development rather than integration. After the end of the Cold War and in the age of neoliberal globalisation, this developmental regionalism waned and approached the goal of an EU-like economic integration in many regions. Politically, the purposes of these two variants of regional organizations have differed markedly, even if they have occasionally been similar. In the developed world and Europe especially, political integration with a high degree of supra-nationalisation was the ultimate goal from the outset of integration, while the regionalism in the South and East aimed only at independence and gaining statehood and legitimacy in the international system. Today, however, these latter regions have experienced a shift towards deeper political integration, and the EU is struggling with rising trends against further economic integration, enlargement and supra-nationalisation in the continent, which have hampered its goal of political unity.

LO 2

Evaluate the multiple expanding roles and functions of regional organizations in the international system

As the present study has clearly demonstrated, all continents and sub-continent are covered partly or totally by at least one regional organisation. These organizations have not been able to avoid the effects of globalisation and the accompanying trend towards advancing integration in not only economic but also political and social terms. In parallel to the expansion of their purposes and goals, the roles and functions of regional organizations have simultaneously broadened and deepened. Therefore, because regionalism has been globalised, the emerging regional governance sub-systems on many cross-border issue areas have become a part of contemporary global governance system as proven by the study. This is closely linked with the assumption that the regional level emerged as more appropriate, legitimate and effective than the national or global levels for solving transnational problems, challenges and disputes. Hence, regional organizations have assumed a multitude of new tasks and functions, which has led to changes in their official roles. These tasks and functions encompass a wide variety of issues or problem areas, including further economic integration that moves beyond sole development, conflict management, peacekeeping, dispute settlement, the protection of democratic order and human rights, environmental protection, natural disaster management, addressing migration, transnational criminal activities and gender problems. Despite these broadened roles and functions, however, it remains rather vague whether regional governance enhances or weakens the role of global governance institutions.

LO 3

Compare the purposes and roles of regional organizations in terms of their imitation or emulation of each other from different perspectives/angles

In terms of their purposes, designs and roles, the study has indicated that there are both similarities and differences between regionalisms and regional organizations worldwide. The main driving factor behind these similarities and differences is the emulation or imitation tendencies of these organizations, as they are highly eager to mimic or replicate each other. Since the EU's advances in its institutional design as well as its policy outcomes have made it a less convenient model for other regional organizations, the latter also tend to engage in the emulation or replication of each other's experiences. Therefore, the process of emulation or imitation may take place both between the EU and the others on the one hand and between the developing world regionalisms on the other. Because of such emulation and imitation, similarities in purposes and roles of regional organizations are common. However, regional organizations are not passive recipients, as they also seek to regionalise or localise the elements that they take or copy from other regions. This is the main reason for differences in the purposes and roles of various regional organizations.

1 The scholarly literature on regionalism and regional organizations has been mostly.....

Which of the following options correctly completes the sentence above?

- a. Asian-centric
- b. European-centric
- c. African-centric
- d. American-centric
- e. Latin-centric

2 Which one of the below can be described as the 'dark side of regionalism'?

- a. Peacekeeping operations
- b. Dispute settlement
- c. Conflict management roles
- d. Boosting authoritarian and rent-seeking regimes
- e. Protection of human rights

3 The most characteristic feature of the regionalism in the developing world is.....

Which of the following options correctly completes the sentence above?

- a. tame nationalism and prevent inter-state war.
- b. promote the inviolability of borders and the national liberation from the colonization.
- c. achieve full economic integration.
- d. achieve full political integration.
- e. create supranational institutions.

4 The weakest region with regard to protecting democracy and human rights is.....

Which of the following options correctly completes the sentence above?

- a. Central America
- b. Africa
- c. Europe
- d. Latin America
- e. the Middle East

5 Which operation **was not** conducted under the UNSC authorisation?

- a. NATO's Afghanistan Mission
- b. EU's Artemis Operation in DRC
- c. African Union's Mission in Darfur
- d. NATO's Kosovo Operation
- e. NATO's Sudan Operation

6 The region that **does not** have a legalised regional court for trade dispute settlement is

- a. Latin America
- b. North America
- c. Europe
- d. Asia
- e. Africa

7 Under which chapter of UN Charter is the relationship between regional organizations and the UN arranged?

- a. Chapter II
- b. Chapter IV
- c. Chapter V
- d. Chapter VII
- e. Chapter VIII

8 Which stage of economic integration has the EU **not** yet achieved?

- a. Free trade area
- b. Customs union
- c. Full economic integration
- d. Economic and monetary union
- e. Common market

9 Which answer characterises the main difference between the economic purposes of *developed* and *developing* world regionalisms in the post-Second World War era?

- a. Economic cooperation-economic convergence
- b. Economic integration-economic development
- c. Economic development-economic cooperation
- d. Economic harmonisation-economic integration
- e. Economic integration-regional integration

10 Which is not one of the political objectives of non-European (developing world) regionalism?

- a. Non-intervention
- b. Inviolability of national borders
- c. Nationalism
- d. National liberation and sovereignty
- e. Taming nationalism

1. b

If your answer is incorrect, review the section on 'The Emergence and Rise of Regional Organizations'.

6. d

If your answer is incorrect, review the section on 'The Roles of Regional Organizations'.

2. d

If your answer is incorrect, review the section on 'The Roles of Regional Organizations'.

7. e

If your answer is incorrect, review the section on 'The Roles of Regional Organizations'.

3. b

If your answer is incorrect, review the section on 'The Purposes of Regional Organizations'.

8. c

If your answer is incorrect, review the section on 'The Purposes of Regional Organizations'.

4. e

If your answer is incorrect, review the section on 'The Roles of Regional Organizations'.

9. b

If your answer is incorrect, review the section on 'The Purposes of Regional Organizations'.

5. d

If your answer is incorrect, review the section on 'The Roles of Regional Organizations'.

10. e

If your answer is incorrect, review the section on 'The Purposes of Regional Organizations'.

Discuss why and how regional organizations emulate or imitate each other. Given the Euro-crisis and Brexit, do you think that the EU is still a 'role model' or 'ideal type' to inspire other regional organizations?

your turn 1

Emulation or imitation has been an effective method by which regional organizations learn each other and take helpful examples from the success of those who are most advanced, such as the EU. The EU has long been an inspiring role model for other regional organizations, who have partly or completely emulated or replicated its success story with deepening and enlarging the integration with a high level of supra-nationalisation. However, this emulation also took place between non-European regionalisms from different parts of the world. Because of emulation and imitation processes, the purposes and roles of regional organizations have started to resemble each other on the one hand, while the localisation or regionalisation of elements that regional organizations have taken from other regions has led to significant differentiation in their purposes, functions and designs.

Many regional organizations have highly emulated or even copied the EU example, but its success has also prompted a situation in which others cannot easily emulate or copy it anymore because of the depth of integration and its institutional advancements. Nonetheless, the recent Eurozone crisis and the process of Brexit seem to compromise this success story, and under these unfavourable circumstances, other regional organizations may derive a valuable lesson from the EU experience and the faults it has developed, such as its early and imperfect transition to a monetary union, its ineffectual management of the following debt crisis, and the popular discontent towards the deeper integration by EU authorities or the acceptance of new members who did not fully qualify for membership. This climate has negatively impacted the attractiveness of the EU model to a severe degree, so the retreat from regionalism in Europe will be hardly inspiring for others and their regionalist enthusiasm.

Therefore, it can be claimed that although the success of EU made it less easy to replicate or export, the prospect of its dissolution may destroy its surviving image as a source of inspiration and encouragement to other regionalisms to follow their own path to success, which is dubbed as the 'modular regionalism'. Thus, the gap between the EU and others may shrink this time if the former ceases to be the 'ideal type' and fails to deliver further and deeper integration in the wake of the anti-integrationist currents while the latter takes crucial steps towards the same integrationist goals.

What is the main difference between the developed and developing worlds in terms of economic purposes of regional organizations?

your turn 2

In the post-Second World War era, the economic purposes of regional organizations from the developed and developing world differed markedly, as the regionalism in the former regions sought economic integration while those in the latter pursued economic development. Economic integration theory supposes that the process of market integration takes place in successive phases from free trade area, customs union, common market to economic and monetary union and full economic integration. The EU managed to complete almost all of these phases despite recently contending with a severe crisis in its economic and monetary union. Its success in all of these areas has been a benchmark to evaluate other integrations in terms of their fulfilment of declared goals.

By contrast, the regionalism examples in the South and East have concentrated naturally on solving the problem of underdevelopment. More extensive regional economic integration was mostly sidelined since these regions were first in dire need of a stable economic and political order before they could consider market integration. In this case, the abovementioned traditional integration theories cannot account for this developmental regionalism in the developing world. This form of regionalism has been quite common in Latin America, Africa and Asia and has been based on the import substitution model, as it was thus described as the old regionalism with a closed, protectionist and introspective character for the sake of development. However, the outcomes of this developmental regionalism were not so promising, as evidenced by the successively failed regional projects in Latin America and Africa. However, from 1990s onwards, after the demise of the state-led developmental model based on import substitution, this pro-development regionalism was abandoned while new regional projects have aimed to accomplish more advanced economic integration in the age of globalisation and new regionalism as an open and outwards-looking model of integration. In conclusion, in this age of new regionalism, the integration-development distinction in economic purposes of regional organizations have become increasingly irrelevant, as the process of new regionalism has been complementary rather than competitive to the process of globalisation at the same time.

Compare the track records of regional organizations in terms of their roles in the promotion and protection of democracy and human rights.

your turn 3

Regional organizations have played and still play a key role in protecting democracy and human rights among and beyond their member states. However, these roles vary enormously from one region to the next. In this context, the European region represents the most advanced protection regime, as both the CoE and the EU are critical actors in the consolidation of democracy and human rights norms across the continent. The CoE's regime is based on a convention for human rights with a highly effective protection regime under the European Court of Human Rights. The EU has also been active in imposing democracy and human rights conditions on members, applicants and neighbouring states, and it has also recently adopted its own fundamental rights charter. Lastly, even NATO membership is conditional, as any aspiring country should respect the same norms.

Compared to this advanced European democracy and human rights regionalism, other regions present a mixed perspective in terms of their imposition of norms and conditions as well as their institutionalisation level. Most importantly, the European model focuses on promoting and protecting political rights, but other regions concentrate mostly on economic, social and cultural rights. Democracy promotion has not been a goal of regional organizations based in Asia, where human rights are mostly respected and protected, particularly after the signing of the ASEAN Charter in 2007 and a human rights declaration in 2012 that lacked an enforcement mechanism. Latin American regional organizations have managed to survive anti-democratic developments on the continent while serving as tools for domestic democratic consolidation. African regional organizations have been more intrusive and interventionist in cases of coups or unconstitutional changes of regime on the continent, and they have been eager to impose sanctions on their defiant members. Moreover, they have made remarkable progress in adopting certain key documents and charters on democracy, governance and election monitoring as well as human rights. These last two regions have relatively strong enforcement mechanisms, though not as strong as their European equivalents. The most significant of these are special courts that focus on individual complaints in cases of human rights violations. Among all of these regions, the Middle East remains the weakest link, as its track record in the protection of democracy and human rights norms and values in member countries has been notably poor, as exemplified by its disputed posture during the Arab Spring uprisings.

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Chapter 3 United Nations and Regionalism

After completing this chapter, you will be able to:

Learning Outcomes

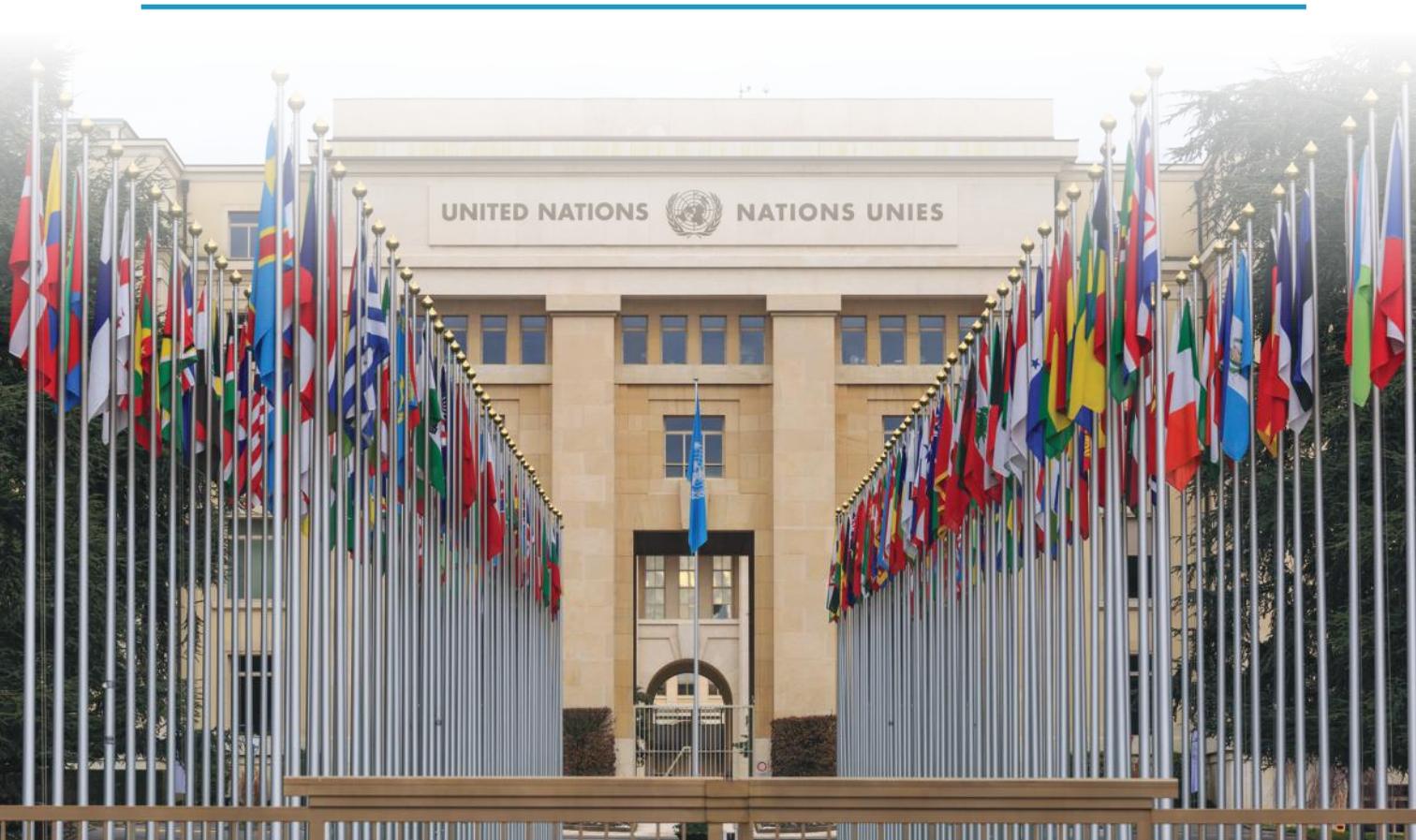
- 1 Explain the historical and normative background of the issue of regionalism
- 2 Explain the relationship between the globalism and regionalism and problems of definition regarding the concepts related to regionalism
- 3 Define and enumerate the electoral groups and regional commissions
- 4 Analyze the collaboration between the United Nations and regional organizations for maintaining international peace and security

Chapter Outline

Historical and Normative Background
Regions in The United Nations
Maintenance of International Peace and Security

Key Terms

- Regionalism
- Globalism
- Regional Organizations
- United Nations
- Regional Arrangements and Agencies
- Key Term



INTRODUCTION

The debate of regionalism v. globalism is not a new one. U.S. President Woodrow Wilson was against limited leagues and alliances within the universal organization since he thought it generates counter-alliances and results in war. Still he had to make a concession by the Article 21 of the Covenant of the League of Nations recognizing validity of regional organizations for securing the maintenance of peace.

The failure of the League as the universal keeper of the peace provided a new opportunity to reconsider the regional and global approaches. The United Nations (UN) is the new global organization for the maintenance of international peace and security founded in 1945 as the post-Second World War universal organization. It is characterized by its universal quality, and still the only general-purpose, universal international organization that exists.

In the framework of the UN, regionalism has two meanings. First, there are regional groupings and commissions starting their life early in the history of the UN and recognized during 1960s as a means to facilitate UN's work in several areas from maintaining international peace and security to cooperation in economic, social and cultural issues. Secondly, there are other international organizations, some of which are regional ones, and collaboration between them and the universal organization.

Regionalism has three displays in the UN system: regional economic commissions (linked to the Economic and Social Council, ECOSOC), regional electoral groupings (linked to the General Assembly and the Security Council), and cooperation with the regional arrangements or agencies as envisaged at Chapter VIII with the aim of maintenance of international peace and security.

The UN works with other international organizations in various ways. Some of them are regional organizations, and they support UN's activities since they share the same goals whether they are on the global or regional level. Peacekeeping, humanitarian affairs, economic and social development, and protection of human rights are major cooperation areas.

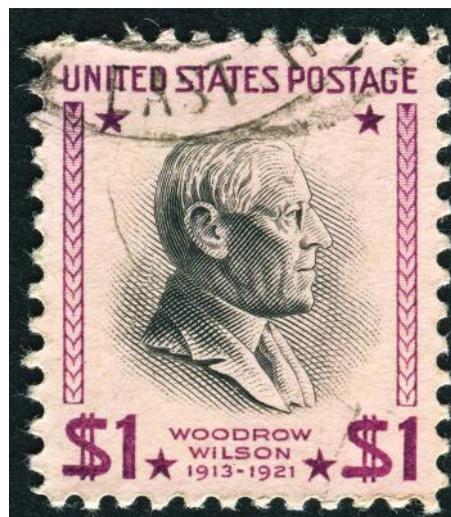


Figure 3.1

HISTORICAL AND NORMATIVE BACKGROUND

The issue of regionalism was one of the most delicate questions which the San Francisco Conference had to deal with. There were proposals regarding the inclusion of some provisions for regional groupings for general purposes. Neither this, nor was the specific question of regional groupings for economic and social purposes were given serious attention. It was exclusively in connection with the maintenance of peace and security by the use of procedures of peaceful settlement and by enforcement action that regionalism was considered.

Nevertheless, especially in the economic and political issues, regional cooperation has been gaining pace over the past decades. During the Cold War, the UN was not able to pursue its role as the main provider of international peace and security. Chapter VIII stayed also unused, since a regional response was not possible in the Cold War conditions. Nevertheless, regional organizations have started to be established for economic objectives instead of international peace and security. By the end of 1980s, the network of regional agencies were in place and working. During the 1980s, these regional organizations started to develop their own instruments to deal with the security concerns, again independently from the UN. Moreover, universal organization has also recognized the role and importance of the regional organizations in realizing its own aims and implementing its own principles.

Historical Background

There were three changes made at the San Francisco Conference regarding the regional groupings or agencies. First, a provision stressing the desirability of using regional arrangements and agencies for the peaceful settlement was inserted. Second, the requirement of Security Council authorization for enforcement action under regional arrangement were waived in the case of measures taken against an enemy state under Article 107 of the Charter or under “regional arrangements directed against the renewal of aggressive policy” by any such state. Third, by the terms of Article 51 of the Charter, “the inherent right of individual or collective self-defence if an armed attack occurs against a Member of the United Nations” was safeguarded. This provided the legal basis for the use of force by a single member or a group of members in case of an armed attack without any requirement of the Security Council authorization.

Although the idea of founding another universal political organization after the war has arisen early during the Second World War (1941), universal membership was decided only at 1944 Yalta Conference. Relations between the new universal political organization and other international organizations including the regional ones were discussed extensively during the founding conference gathered in San Francisco in 1945. The main focus of these discussions was their future role in the maintenance of international peace and security, the first aim of the UN stated in the article 1 of the Charter.



Figure 3.2 Yalta Conference. British Prime Minister Winston Churchill, U.S. President Franklin Roosevelt, and Soviet leader Joseph Stalin met at Yalta in February 1945 to discuss their joint occupation of Germany and plans for postwar Europe. Behind them stand, from the left, Field Marshal Sir Alan Brooke, Fleet Admiral Ernest King, Fleet Admiral William D. Leahy, General of the Army George Marshall, Major General Laurence S. Kuter, General Aleksei Antonov, Vice Admiral Stepan Kucherov, and Admiral of the Fleet Nikolay Kuznetsov. February 1945.

Source: [https://en.wikipedia.org/wiki/Yalta_Conference#/media/File:Yalta_Conference_\(Churchill,_Roosevelt,_Stalin\)_\(B%26W\).jpg](https://en.wikipedia.org/wiki/Yalta_Conference#/media/File:Yalta_Conference_(Churchill,_Roosevelt,_Stalin)_(B%26W).jpg)

Historically, there was a movement of political regionalism in the American continent since 1933. Latin American and Middle Eastern states had concluded treaties in 1930s creating regional arrangements by the Act of Chapultepec and the Arab League respectively. Nevertheless, they were the only ones doing it at the time, meaning contextual basis for such cooperation was almost nonexistent.

In 1945, there were two developments which sealed the fate of the regional solutions idea. The first one is the Inter-American Conference on Problems of War and Peace held in Mexico City. It was in favor of the regional solutions. Latin American states tried to prevent the Inter-American system from falling under the jurisdiction of the UN Security Council, but they failed. The second one is the Yalta Conference. The formula of the Yalta Conference which gave five permanent members of the Security Council, *inter alia*, to prevent effective regional measures by using their veto power, won the day.

On the other hand, the UN Charter recognized regionalism explicitly by devoting its Chapter VIII to the provisions governing the relationship between the regional arrangements and agencies and the UN with the aim of maintaining international peace and security.

According to Article 53/1:

“The Security Council shall, where appropriate, utilize such regional arrangements or agencies for enforcement action under its authority. But no enforcement action shall be taken under regional arrangements or by regional agencies without the authorization of the Security Council...”

On the other hand, it does not provide a definition of the “regional arrangements or regional agencies”. This lack is considered as deliberate to provide flexibility for undertakings by a group of states to deal with a matter appropriate for regional action which could also contribute to the maintenance of international peace and security. Some organizations such as Organization of American States (OAS) and Organization of Security and Cooperation in Europe (OSCE) are in the meaning of Chapter VIII. Arab League and former Organization of African Union were treated as regional organizations by the UN generally.

Regional systems were vindicated in two respects: collective resort to the right of self-defence in case of an armed attack, and priority of regional arrangements in the peaceful settlement of disputes (Art. 52/2).

Problem of Definition

The concepts of region and regionalism refer to interactions at the regional level. The concept of region is often used differently in different disciplines. In international relations, regions are usually treated as subsystems of the international system. Joseph Nye views a region as ‘a limited number of states linked together by a geographical relationship and by a degree of mutual interdependence’.

Charter does not give a definition of the term of “region” anywhere. It is not considered strictly geographical, although a regional arrangement would not exist in the absence of it. Although

there are proposals to include Islamic countries or Commonwealth states in the concept of region, and the geographical connection is thought not to be applied strictly, it is not possible to divorce the term of “regional” from geography completely also because these organizations must be able to settle local disputes. It also implies a non-universal organization which has a smaller number of membership.

The aim of regionalism is to pursue and promote common goals in one or more areas. This area ranges from promoting a sense of regional awareness or community to the regional groups formalized by intergovernmental arrangements and organizations. Contemporary regional systems are based on multilateral treaties with institutionalized regional arrangements.

Other two concepts which were not defined in the Charter are “arrangements” and “agencies”. They can be used synonymously or viewed as alternatives. The word of “or” between them indicates that there are some differences between them. According to this view, ‘a regional agency is a regional organization with legal personality and an organizational structure located in a member country. A regional arrangement is a grouping of states under a treaty for a specified common purpose without any organization to personify that arrangement. Organizational functions are carried out by the member states themselves.’

A regional arrangement or agency may not have the maintenance of international (regional in that case) peace and security as its main task. In that case, it is not also considered within the scope of the Chapter VIII. This chapter applies only to the regional organizations which are founded to preserve peace and security within the region.

Organizations of collective self-defence must be distinguished from the regional arrangements of Chapter VIII, since their existence arises from the rule of self-defence stipulated in Article 51. The logic of the UN Charter presupposes a distinction between regional organizations established as collective defence organizations and regional organizations founded to preserve peace and security within the region. But, in the absence of a definition, the Security Council decides whether an organization qualifies for action under Article 53/1.

Even if a certain organization were founded as an Article 51 self-defence organization, it is accepted that they may implement the Security Council's decisions adopted according to the of Chapter VIII. For this, one of its main tasks stipulated in its founding treaty must be keeping peace and security in its region, but this goal does not have to be its essential task. Moreover, since the Council can authorize military enforcement action to be taken by *ad hoc* 'coalitions of the willing', this power must extend to groups acting through a regional organization. Indeed, in the Council's practice, NATO, a self-defence organization under Article 51, has been authorized to take military enforcement measures in the territory of the former Yugoslavia by resolutions 757, 816 and 836 among others.

The UN works with regional organizations in several ways. The Secretary-General summarizes this collaboration in a separate report to the General Assembly every year. The cooperation covers a variety of areas from peacekeeping to economic and social development, from humanitarian issues to human rights. The regional organizations support UN activities by providing information, collaborating in the implementation of programmes and projects, organize conferences, and develop policies.

In the 2005 World Summit Outcome document (A/RES/60/1, 24 October 2005), the General Assembly recognized the role of regional organizations in several provisions. According to paragraph 170:

'We support a stronger relationship between the United Nations and regional and subregional organizations, pursuant to Chapter VIII of the Charter, and therefore resolve:

(a) To expand consultation and cooperation between the United Nations and regional and subregional organizations through formalized agreements between the respective secretariats and, as appropriate, involvement of regional organizations in the work of the Security Council;

(b) To ensure that regional organizations that have a capacity for the prevention of armed conflict or peacekeeping consider the option of placing such capacity in the framework of the United Nations Standby Arrangements System;

(c) To strengthen cooperation in the economic, social and cultural fields.'

Another reference to the regional organizations went under the heading of "Peacekeeping", paragraph 97:

'Recognizing the important contribution to peace and security by regional organizations as provided for under Chapter VIII of the Charter and the importance of forging predictable partnerships and arrangements between the United Nations and regional organizations, and noting in particular, given the special needs of Africa, the importance of a strong African Union:

(a) We support the efforts of the European Union and other regional entities to develop capacities such as for rapid deployment, standby and bridging arrangements;

(b) We support the development and implementation of a ten-year plan for capacity-building with the African Union.'



your turn 1

What are the reasons of the growth of regionalism? Is it related to the UN?

REGIONS IN THE UNITED NATIONS

Regional groupings and commissions within the United Nations reflect a general trend to come together and collaborate on a regional basis. In the practice of the UN, the regional principle has found wide application. It has been applied in the economic, social and cultural work of the UN. The establishment of regional economic commissions under the ECOSOC and regional arrangements provided for in the Constitution of the World Health Organization can be given as examples from the early days of the UN. Electoral groups and the principle of equitable geographical representation through them have been developed in 1960s.

Electoral Groups

Although its origins date back to the end of the Second World War, five regional groups took its present shape in 1963. The aim of it was to achieve a more equitable representation in the Security Council and other bodies.

These five regional groups are Africa (GAFS), Asia-Pacific (GASS), Eastern Europe (EEC), Latin America and Caribbean (GRULAC), Western Europe and Other States (WEOG). Although they are called “regional”, its post-war origins can be observed in the decision of creating groups called “Eastern Europe” and “Western Europe and Other States”. Although Europe is a geographical region, “Eastern” and “Western” Europe are clearly political ones reflecting post-Second World War arrangements. After more than 25 years from the dissolution of the political split in Europe, electoral system still is not reformed accordingly.

As special cases, Israel became a WEOG member in 2000, thus able to put forward candidates for election to General Assembly bodies. Australia and New Zealand are both members of the WEOG, although geographically they are close to Asia. The Republic of Cyprus, an EU member, is in the GASS. Lastly, the USA is not a member of any regional group, but attends meetings of the WEOG as an observer and is considered to be a member of it for electoral purposes.

There are also a few states that did not belong to any group. South Africa was accepted into the GAFS after the apartheid regime ended. Estonia became a member of the UN in 1991, but joined the EEC in 2004. Kiribati is not a member of any group although all other states of Oceania belong to the GASS. Israel prefers to be in the Asian group, but since its membership was rejected by the current members, it is accepted as a temporary member in the WEOG.

The purpose of these groupings is to allocate seats on the UN bodies equitably. For example, ECOSOC has 54 member states which are elected by the General Assembly for three years. Fourteen seats are allocated to African states, eleven to Asian-Pacific states, six to Eastern European states, ten to Latin American and Caribbean states, and thirteen to Western European and other states. The African group has 53 members, while the Eastern European has only 21 members.

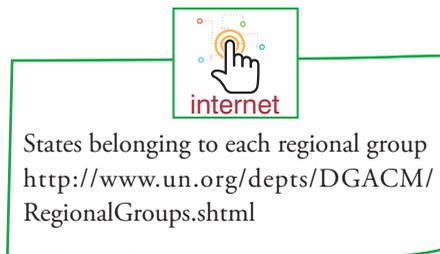
Still, it is possible to observe some differences even in the UN system of organizations. UNICEF divides its members into regional groups differently: Central and Eastern Europe and CIS States, East Asia and the Pacific, Eastern and Southern Africa, Industrialized Countries, Latin America and the Caribbean, Middle East and North Africa, South Asia, West and Central Africa. The World Bank Group adopts a categorization comprised of six regions. The World Meteorological Organization is the one that accepts the most complicated categorization and calls them regional associations.



Figure 3.3 UNICEF - Copenhagen, Denmark. The building accommodates the new global warehouse of the United Nations Children’s Fund, Unicef in Copenhagen, Denmark.

It is possible to argue that these examples are all independent international organizations and they are free to adopt a different set of criteria to divide their membership into regional groupings according to their own goals and targets. On the other hand, the UN *per se*, also does not apply regional representation consistently on every occasion. Election of the last Secretary-General, Antonio Guterres from Portugal can be given as an example. Earlier in the UN history, when Kofi Annan from Ghana was elected as the new Secretary-General after another African, the reason given for that was the underrepresentation of Africa for this specific post. Believing all expectations, instead of the EEC group that no Secretary-General has been elected from in the UN's history, the Security Council preferred Guterres as the third Secretary-General from the WEOG.

Having said that, one must keep in mind that whether the voting behavior reflects regional concerns or affiliation is completely another matter. The intergovernmental structure of the UN does not leave room for the regional voting. In other words, every member state of a body in the UN system votes for itself, even though it becomes a member of a certain body through an election process making the regional groupings an essential part of the it.



Regional Commissions

There are five regional bodies established under the ECOSOC:

- Economic Commission for Europe (ECE), established in 1947, Geneva;
- Economic and Social Commission for Asia and the Pacific (ESCAP), established in 1947 as Economic Commission for Asia and the Far East and renamed in 1974, Bangkok,
- Economic Commission For Latin America and the Caribbean (ECLAC), established in 1948, Santiago,

- Economic Commission for Africa (ECA), established in 1958, Addis Ababa,
- Economic and Social Commission for Western Asia (ESCWA), which replaced the former UN Economic and Social Office in Beirut in 1973, Baghdad.



ECOSOC Youth Forum (30-31 January 2018)
 The role of youth in building sustainable and resilient urban and rural communities
 #YOUTH2030

Figure 3.4

All of them were established by a resolution of ECOSOC and amended according to the new needs and conditions. These resolutions define the functions and powers, geographical scope, method of financing and staffing, and rules concerning the contacts with other UN bodies.

There are three types of membership, namely, full membership, associate membership and observer status. As a rule, member states in the region are accepted as the members of the related regional commission. They may be listed by name, or collectively defined by reference to the area. In addition, specified non-regional states may also have a full membership because of their economic activity in the region or they were responsible for non-self-governing territories within the region.

Membership of the countries displays some differences from the electoral groups. Australia and New Zealand, WEOG members for electoral purposes, have preferred to become members of ESCAP, reflecting their geographical position. On the other hand, the UK is a member of Asian-Pacific and Latin American/Caribbean commissions besides European commission, due to its possessions in these regions. Egypt is a member of both of the commissions for Africa and Western Asia.

Regional commissions have a plenary body, and decisions are taken by a majority of those present and voting. They meet annually, except ECLA that meets every two years. Also they have subsidiary

Regional Organizations

bodies with limited membership according to the needs and functions. Several of them have sponsored the conclusion of treaties by which new bodies are established. They all have a permanent secretariat constituting a part of the UN Secretariat. Commissions' expenses are financed by the regular budget of the UN, and they receive extra-budgetary resources from other UN funds and programmes and specialized agencies. They provide an annual report to ECOSOC annually.

Although there are some small differences, principal functions and purposes of the commissions are as follows:

- to initiate and participate in measures for facilitating regional economic development,
- raise the level of economic activity in the respective region,
- maintain and strengthen economic relationships among the states of the region and with other states,
- to investigate and study economic and technological problems and developments,
- to collect, evaluate and disseminate economic, technological and statistical information.



All regional commissions support the regional cooperation in different areas, but there are differences in terms of intensity and the direction of this support. ECLAC has proved to be the most effective of the commissions. It was established in 1948 and developed the 'Latin American structuralism' theory as an answer to the region's need of economic development and social growth. It proposed strengthening the industrial factor, and an export strategy through intra-Latin American trade and suppression of trade tariffs in the core countries early in 1960s. UNCTAD has come into being as a result of this initiative. Nevertheless, this success story for ECLAC and golden years of 1960s have come to an end by the opposing positions of the GATT and the International Monetary Fund.



your turn 2

Which electoral group Turkey belongs to? Does it correspond to its geographical position?

MAINTENANCE OF INTERNATIONAL PEACE AND SECURITY

The UN Charter devotes Chapter VIII to the role of regional arrangements and agencies only in the framework of the maintenance of international peace and security. Other forms of regional cooperation are not covered by Chapter VIII. It also requires them to be consistent with the purposes and principles of the UN, as stipulated in the Article 1 and Article 2 of the Charter.



Figure 3.5

Cooperation for Maintaining International Peace and Security

Application of the regional principle to the peace and security has raised several questions. At the time the Charter entered into force, the trend in the direction of reliance upon regional arrangements was well under way, and Charter's entrance into force and establishment of the Security Council did not reverse this trend. The fact that the Security Council was incapable of

taking decisions when there was disagreement among the permanent members did not help the cause of universalism either.

Characteristics of a Regional Organization and Criteria for Regional Enforcement Action Under Chapter VIII

The Security Council was to encourage the settlement of local disputes by regional means and to use regional arrangement for enforcement action.

According to Article 52/1:

“Nothing in the present Charter precludes the existence of regional arrangements or agencies for dealing with such matters relating to the maintenance of international peace and security as are appropriate for regional action provided that such arrangements or agencies and their activities are consistent with the Purposes and Principles of the United Nations.”

Article 52/2 gives priority to the regional arrangements and agencies in solving local disputes before referring them to the Security Council. In order to be classified as a regional organization in the sense of Chapter VIII, regional organizations need to be able to provide some sort of peaceful mechanism by which local disputes within the region can be solved. It need not to be a sophisticated mechanism or one of the means enumerated by the UN Charter, “any other peaceful means of their own choice” (Article 33) would do.

Finally, both constitution and activities of the organization must be inconsistent with the purposes (Article 1) and principles (Article 2) of the UN.

In conclusion, a regional organization must have certain characteristics. First, it has to be smaller in number than the UN, territorially linked to be able to have an effective dispute settlement mechanism, have the maintenance of peace and security as one of its main tasks and both its constitution and activities must be in conformity with the UN’s purposes and principles.

Article 53/1 declares the Security Council’s supremacy over these arrangements or agencies. According to the article, “The Security Council shall, where appropriate, utilize such regional arrangements or agencies for enforcement action under its authority. But no enforcement action shall be taken under regional arrangements or by regional agencies without the authorization of the Security Council...”.

Article 54 supports this attitude by requiring these organizations to keep the Security Council fully informed of the activities undertaken by them.

The UN Charter endorses a cooperation model with the Security Council as the uppermost authority in the system. It is expressly provided that no enforcement action can be taken under regional arrangement or agencies without the authorization of the Security Council.

There are two possible forms of cooperation. First, the Security Council itself can be the initiator and ask a regional organization to enforce action. Second, a regional organization can take action autonomously, but an authorization from the Council is required.

Consequently, the crucial factor for regional action is not the nature of the organization but the type of action that is undertaken and the attitude the of Security Council. Only prior authorization fully ensures Council’s control over regional enforcement action. Moreover, if subsequent authorization become the rule, regional organizations might be encouraged to commence enforcement actions in the hope that the Council would give authorization afterwards. This situation would undermine the Council’s position as the key authority to decide upon the use of force in the collective security framework. Language used in the Charter also supports the rule of prior authorization, since authorization after the action would not be called “authorization” but “approval”.

Nevertheless, there are examples of no prior authorization, and subsequent expression of approval by the Council. One important example is the ECOWAS intervention in Liberia in 1992. Civil war started in 1990 in Liberia. Although the issue was brought before the Security Council, it failed to consider the issue in time. ECOWAS decided for an enforcement action without prior authorization of

the Council. In 19 November 1992, the Council expressed its approval in S/RES/788 by saying “...commends ECOWAS for its efforts to restore peace, security and dtability in Liberia(...) and condemns the continuing armed attacks against peacekeeping forces of ECOWAS in Liberia by one of the parties to the conflict”.



Figure 3.6 ECOWAS COMMISSION, Abuja - NIGERIA

Contrary to this, tacit authorization can not be acquired through the silence or inactivity of the Council, since it would be a result of the use of veto power in the Council. Silence or inactivity would be an indication of disagreement in the Council, rather than a silent approval.

As the primary responsible body for the maintenance of international peace and security (article 25), the Security Council should have effective control over enforcement action, even when authorized to be conducted by a regional organization. Nevertheless, it is not the case even when the Council authorizes a member state to take all necessary actions on behalf of the UN itself. As a result, it is difficult to see how the Council would be able to do this in case of an authorized regional organization’s action.

Regional organizations acting under Chapter VIII are allowed to consider matters which are appropriate for regional action. They are allowed to impose forceful measures within their own region, against their own member states, but not against a third state which is not a member. Regional enforcement measures against a non-member within the same region could be authorized as a case of self-defence in accordance with Article 51, since this entails a third state.

On the other hand, the Council itself can utilize regional organizations to enforce collective measures outside their region. Then regional organizations can conduct measures in every territory if the Council so requests. In that case, regional organization is merely providing the means to the Security Council’s goal, so it cannot be said that it is the regional organization in its autonomous form enforcing military measures.

Regional Organizations’ Role for the Maintenance of International Peace and Security After 1991

The Secretary-General devoted a chapter to the cooperation with the regional agencies and organizations in his *An Agenda For Peace* (A/47/277, 17 June 1992) stating ‘regional arrangements or agencies in many cases possess a potential that should be utilized in serving the functions covered in this report: preventive diplomacy, peace-keeping, peacemaking and post-conflict peace-building’ and ‘regional action as a matter of decentralization, delegation and cooperation with United Nations efforts could not only lighten the burden of the Council but also contribute to a deeper sense of participation, consensus and democratization in international affairs’.

The Security Council started the practice of support for the principle of ‘regional solutions to regional problems’ in 1991. It passed numerous resolutions and referred to regional arrangements in the context of conflicts. In 1993, it invited the regional organizations to study the ways of strengthening their functions in international peace and security and improve coordination with the UN (S/25/84, 29 January 1993).

Regional enforcement actions became a new important area of cooperation in 1990s. Earlier the Council never used the powers vested in it by Article 53. It changed this attitude in the wake of the failed military operations in Somalia and Bosnia. Without direct reference to Article 53, but working on the basis of Chapters VII and VIII, it authorized or called on regional organizations to use force in several cases. It used such arrangements to enforce previously imposed sanctions first by appealing states and regional arrangements to use the measures necessary to implement the embargo on Serbia and Montenegro by its resolution number 787 (Resolutions 713 and 757). NATO and WEU controlled ships in the Adriatic Sea and on the Danube River under this resolution.

Moreover, regional organizations were authorized to use force to support UN peacekeeping operations in internal conflicts. They were also authorized to deploy military contingents and allowed them to use force in carrying out the military aspects of agreements terminating the armed conflicts in question. The first examples were Bosnia-Herzegovina and Kosovo.

Secretary-General took the lead and convened 'High-Level Meetings' with regional organizations from all continents involved in security matters starting from 1993. First ones did not have a formal agenda, paving the path for the future cooperation. It was decided to have a flexible and pragmatic approach. From the third meeting in 1998 every meeting had a certain topic including conflict prevention, peacekeeping, new threats including terrorism. During the fifth meeting in 2003, it was decided to hold these meetings annually, and they should be prepared beforehand. Six working groups were established, each led by a UN agency: peacekeeping, civilian protection, respect for human rights in counter-terrorism, dialogue of civilizations, disarmament, and the reform of the partnerships between the UN and regional and other organizations.

In 2004 report of *High-Level Panel on Threats, Challenges and Change* (A/59/565, 2 December 2004), a special attention was paid to the cooperation between the UN and regional organizations. It recommended that cooperation between them should be expanded and could be formalized in an agreement. It also emphasized that any regional

action needs to be authorized by the Security Council. Secretary-General fully endorsed the report and declared his intention to conclude memoranda of understanding with regional organizations.

2005 High-level meeting brought an important development to the framework of cooperation by separating the high-level meetings under Chapter VIII and cooperation with other international organizations under other provisions of the Charter. They also agreed to meet on the annual basis and create a Standing Committee to coordinate the meetings with the issues on the agenda of the Security Council, to initiate new ideas, and monitor the implementation of the decisions. It also decided to make a study of the capacities of the regional organizations in peace and security. The first Standing Committee meeting was held in 2006.

Between the time these meetings started in 1994 to the first meeting of the Standing Committee in 2006, attendance from the regional organizations has doubled from 10 to 20. Moreover, both the Security Council and member states displayed a growing interest in the process. Surprisingly, the UNDPA unit responsible for organizing these meetings was dissolved, and the Secretary-General Ban Ki-Moon, who succeeded Kofi Annan in 2007, stopped the high-level meetings convened by the Secretary-General. Nevertheless, he issued his own report on the cooperation between the UN and the regional organizations on 24 March 2008. The focus of the report was on the African Union. This attitude may be interpreted as an undertaking to test the applicability of the several thoughts developed in the preceding ten years. Besides, he made an issue of the need to make a distinction between the Chapter VIII organizations and the others.

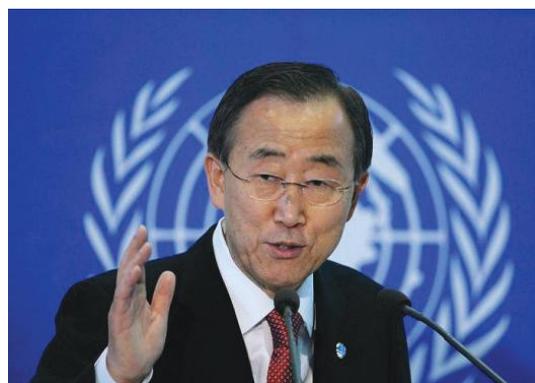


Figure 3.7 Ban Ki-moon was the eighth Secretary-General of the United Nations.



Figure 3.8 United Nations Secretary-General, António Guterres

On the other hand, the Security Council has continued with its meetings with the regional organizations on an *ad hoc* basis. Although there was a drive for more and regular consultations between the global organization and the regional organizations and joint operational deployment when appropriate, the Security Council tends to a flexible and pragmatic approach rather than a universal model.

Resolution 1631 of 17 October 2005,

1. ...invites regional and subregional organizations that have a capacity for conflict prevention or peacekeeping to place such capacities in the framework of the United Nations Standby Arrangements System;
3. stresses the importance for the United Nations of developing regional and subregional organizations' ability to deploy peacekeeping forces rapidly in support of United Nations peacekeeping operations or other Security Councilmandated operations,...
5. reiterates the need to encourage regional cooperation, including through the involvement of regional and subregional organizations in the peaceful settlement of disputes, and to include, where appropriate, specific provisions to this aim in future mandates of peacekeeping and peacebuilding operations authorized by the Security Council;
9. reiterates the obligation for regional organizations, under article 54 of the Charter, to keep the Security Council fully informed of their activities for the maintenance of international peace and security;...
10. invites the Secretary-General to submit a report to the Security Council on the opportunities and challenges facing the

cooperation between the United Nations and regional and subregional organizations in maintaining international peace and security,..."



In an update report of 13 September 2006 (http://www.securitycouncilreport.org/atf/cf/%7B65BF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/Update%20Report%2018%20Sep%202006_UN%20&%20ROs.pdf), the most important issue for the future cooperation was determined as the lack of a formal process for establishing working relations with the regional organizations. Currently existing mechanisms for collaboration are *ad hoc*.

Secretary-General's report titled *A Regional-Global Security Partnership: Challenges and Opportunities* of 28 July 2006 determines two main challenges: definition of the respective roles of the UN and the regional organizations, and capacity building. He also recommended for the distinction between the Chapter VIII organizations and other organizations which had drawn criticism from especially Russia who was suspicious that a change in terminology would bring unwanted political consequences such as giving status to organizations like NATO.

It is obvious that although the Security Council wants to expand the cooperation with the regional organizations, it also wants to do it under its own terms in a flexible and pragmatic manner rather than a more formal approach and creating new structures. Security Council's reports are also illustrative of the situation. According to the 2010-11 report (*Repertoire of the Practice of the Security Council, 2010-2011, 14-65169*), 'the Council adopted a presidential statement, in which it expressed its intention to consider further steps to promote closer and more operational cooperation between the United Nations and regional and subregional organizations in the fields of early warning, prevention, peacemaking, peacekeeping and peacebuilding. The Council acknowledged the important contribution

of regional and subregional organizations to the peaceful settlement of local disputes and preventive diplomacy, as they were well positioned to understand the root causes of many conflicts and other security challenges. The Council also recognized the role that regional and subregional organizations could play in post-conflict peacebuilding, recovery, reconstruction and development processes as well as the need for close cooperation with regional and subregional organizations, as appropriate, for the coherent and effective implementation of its resolutions, including those on thematic issues applicable to a wide range of conflict situations' (S/PRST/2010/1, 13 January 2010).

From 2007 on, the debate shifted to capacity-building which was one of the challenges determined by the Secretary-General, and one region, Africa, instead of a more comprehensive approach that tried to establish a general and formal partnership between the UN and the regional organizations. This is exactly where the Security Council wants to keep the relationship.

Cooperation in Peacekeeping Operations

Before 1990, there was not a single Security Council resolution referring to regional organizations as a partner for running peacekeeping operations. Nevertheless, since 1990s there has been a consistent increase in the peacekeeping operations organized by regional organizations with the UN's missions deployed concurrently with or following the regional missions. The most important regional actors are the European Union (EU) and the African Union (AU). One must bear in mind that, peacekeeping operations were not envisaged by the Charter itself. It causes a lack of clarity of the legal basis and the nature of the relationship between the UN and regional organizations.

Peacekeeping operations involving military troops were started by the UN's General Assembly in 1956 and taken over by the Security Council later. Regional organizations' participation came much later in 1990s. There is a growing cooperation between the UN and regional organizations since then, but it is still a new phenomenon.

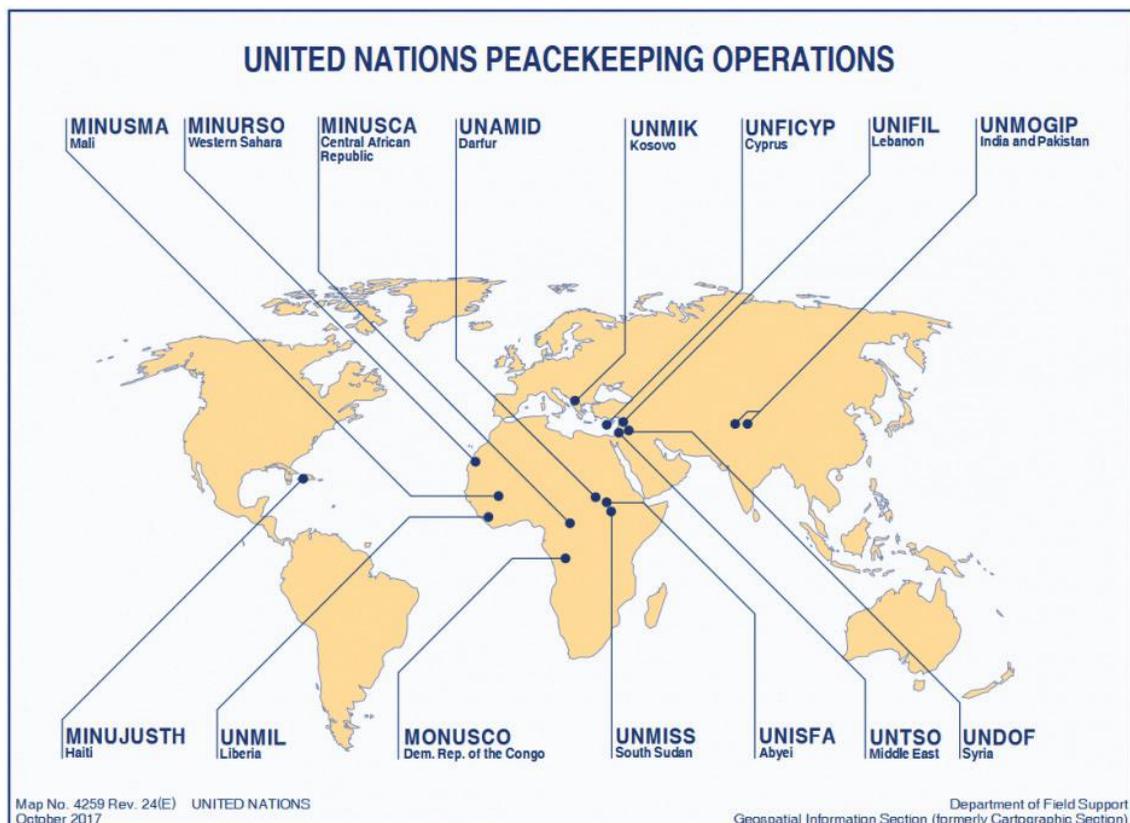


Figure 3.9

Source: <https://onu.delegfrance.org/Peacekeeping-10194>

For the legal basis of the peacekeeping operations, there are two arguments: Chapter VI (peaceful solution of international disputes), and as an unwritten amendment of the Charter, Chapter VI,5. It is argued that Article 33/1 also provides the legal basis for the regional organizations' peacekeeping action by stating that member states would prefer to apply "other peaceful means of their own choice". This approach considers them under Chapter VI.

In the 1990s, peacekeeping operations became a new area of cooperation between the UN and regional arrangements. The increased burden on the UN because of the increasing demand for its peacekeeping missions has caused calls for greater use to be made of the regional organizations. Regional organizations have the local knowledge, expertise, and capability to deploy in a relatively short time. Still, varying capabilities of regional arrangements made it difficult to adopt a universal model with regard to the role they can play in this area.

This cooperation took different forms. First comes the organization of a UN peacekeeping operation together with a military mission provided by a regional organization. Second is the coordination of UN peacekeeping operations with civilian missions organized by regional institutions. Third is the joint peacekeeping operations carried out by the UN and regional institutions together.



your turn 3

Find examples of these three kinds of collaboration between the UN and regional arrangements in peacekeeping operations.

In reality, it must be admitted that new relations between the UN and regional arrangements developed under the influence of changing circumstances. *Ad hoc* decisions and solutions caused a high level of uncertainty. Obviously, the Security Council, which wanted to keep its superior position regarding the issues related to the maintenance of international peace and security tried to find a way out. Even though the Council was able to take the required decision, it was still unable to enforce it. Consequently, it has authorized the willing and able regional arrangements to apply the Council's decisions. It was able to take the required decision the Council was unable to enforce it. The way out was authorizing the willing and able regional arrangements.

On the other hand, regional organizations are not able to accomplish a successful peacekeeping operation without the support of the UN. Regional organizations function as peacekeepers only as segments of a larger UN peacekeeping mission. UN peacekeeping remains the world's largest source in this respect. The UN and the Security Council still holds the key to designing the future of peacekeeping cooperation.



Further Reading

ASSOCIATE WITH RESEARCHES: WHAT IS THE ROLE OF THE AFRICAN UNION AS A REGIONAL ORGANIZATION?

In Africa, a renewed process of reionalisation was set in motion when the Organization of African Unity (OAU) was transformed into the AU in 2000 through the adoption of the Constitutive Act of the African Union. The adoption of the Act signalled a turning point in the modern history of Africa and in its quest for political and economic unification of the African continent. This is in accordance with the notion of Pan-Africanism which broadly determines that the effects of colonialism, alienation and marginalisation can be remedied by forging African unity. The AU is loosely modelled on the EU and its objectives are aimed at enhancing political cooperation and economic integration amongst African states. Although it would be premature to regard the AU as a carbon copy of its European counterpart, the experiences of the EU may, at least, give direction to future developments in Africa.

Historically, the concept of sovereignty has played a crucial role in the political development of African states. States that evolved from colonialism have been particularly sensitive to any limitation of their sovereignty and to the principle of non-intervention. Due to the emphasis on a strong, pre-World War II version of sovereignty in Africa, the predecessor of the AU, the OAU, had a limited institutional capacity to constrain African sovereignty by enforcing regional legal obligations. Similarly, African human rights had weak support on intergovernmental level. The process of decolonization and the protection of sovereign independence was a priority for the OAU and the protection of human rights was accordingly regarded as a matter within the domestic jurisdiction of states. This situation is, however, changing in the context of the AU with its aims of political, social and economic integration and the promotion and protection of human rights. Anel Ferreira-Snyman, "Regionalism and the Restructuring of the United Nations with Specific Reference to the African Union," *CILSA*, Vol. XLIV, 2011, p. 370-371).

LO1

Explain the historical and normative background of the issue of regionalism

The issue of regionalism was one of the most delicate questions which the San Francisco Conference had to deal with. There were proposals regarding the inclusion of some provisions for regional groupings for general purposes. Neither this, nor was the specific question of regional groupings for economic and social purposes were given serious attention. It was exclusively in connection with the maintenance of peace and security by the use of procedures of peaceful settlement and by enforcement action that regionalism was considered.

LO2

Explain the relationship between the globalism and regionalism and problems of definition regarding the concepts related to regionalism

Although the debate of regionalism v. globalism is not a new one, it was dealt with at the San Francisco Conference founding the UN once again, and globalism has arisen as the winner. UN Charter recognized regionalism by its Chapter VIII only related to the maintenance of international peace and security. But, regional organizations started to be established for economic objectives instead of the peace and security. During 1980s, they developed their own instruments to deal with the security concerns as well. The UN has also recognized their role and importance in realizing its own aims as well. Despite these developments, the UN Charter does not give a definition of any term related to regionalism. It does not use the term of regional organizations, but regional arrangements or agencies, still it does not define them as well. This situation provides some level of flexibility, but creates uncertainty.

LO 3

Define and enumerate the electoral groups and regional commissions

The members of the UN were divided into five regional groupings in 1963. These groups are Africa, Asia-Pacific, Eastern Europe, Latin America and Caribbean, Western Europe and Other States. The grouping is both geographical and political, since there is only one Europe as a geographical unit but it is divided into two according to the political inclination.

The aim of this division is supposed to be giving regional groups equal opportunity. Nevertheless, it is possible to observe that this rule is not always followed as it was seen in the election of the last Secretary-General Antonio Guterres. Despite expectations of a new Secretary-General from Eastern Europe group, the Security Council has chosen Guterres from Portugal that is a member of the group Western Europe and Other States which already provided three Secretary-Generals.

Regional economic commissions also reflect this division. There are five regional bodies under ECOSOC, although there are some differences in their names: Europe, Asia and the Pacific, Latin America and the Caribbean, Africa, Western Asia.

LO 4

Analyze the collaboration between the United Nations and regional organizations for maintaining international peace and security

According to Article 53/1, the Security Council can utilize regional arrangements for agencies for enforcement action under its authority. But no enforcement action shall be taken by them without the authorization of the Council. This article sets the foundation for the relationship between them. Although the Article 52/2 gives priority to the regional arrangements and agencies in solving local disputes, the Security Council is the ultimate and decisive authority in the system.

The crucial factor here is the type of action that is undertaken, not the nature of the organization. The Security Council has authorized several organizations for action without taking into consideration whether they were Chapter VIII or Article 51 organizations. Peacekeeping operations are also one of the last but frequently-used cooperation area. Here again, it is possible to observe the UN as the leading organization. Without its support, no regional organization's peacekeeping operation runs or ends successfully.

1 Which of the following is one of the changes made at the San Francisco Conference regarding regional organizations?

- A provision stressing the desirability of using regional arrangements and agencies for the peaceful settlement was inserted.
- The Security Council's authorization is required for enforcement action under regional arrangements or agencies.
- Requirement of the Security Council authorization for enforcement action under regional organizations were waived in the case of measures decided by an Article 51 organization.
- It was decided to include a chapter in the Charter on regional arrangements and agencies which became Chapter VII.
- Organizations established according to Article 51 are accepted as regional organizations.

2 What was the main focus of the discussions at the San Francisco Conference regarding regional organizations?

- How they would be persuaded to become a member of the UN
- Whether the UN is going to formalize its collaboration with them
- Characteristics of a regional organization
- Their future role in the maintenance of international peace and security
- Which main body is going to deal with them for the UN

3 Which regional states already had a regional organization in 1945?

- Western European
- Latin American
- Asia/Pacific
- African
- Eastern European

4 Which regional organizations the Chapter VIII of the Charter apply to?

- The regional organizations founded to preserve peace and security within the region
- All regional organizations
- All regional self-defence organizations
- All international organizations founded to preserve peace and security
- The organizations named in the Chapter

5 Which of the following **not** one of the electoral groups of the UN?

- Asia-Pacific
- Africa
- Eastern Europe
- Latin America and Caribbean
- Southern America

6 Which two members of the WEOG preferred ESCAP as their regional economic commission?

- India and Pakistan
- China and India
- Australia and New Zealand
- Australia and India
- New Zealand and India

7 On which issue the regional organizations have priority according to Article 52?

- Taking measures against a regional state's aggression
- Solving local disputes
- Deciding whether to refer a local dispute to the Security Council
- All issues related to the maintenance of regional peace and security
- Since the Security Council is the ultimate and decisive authority, they have no priority on any issue.

8 Which region has come to the forefront in the collaboration for the maintenance of peace and security between the UN and regional organizations during 2000s?

- Africa
- Latin America
- Middle East
- Southern Asia
- Pacific

9 Which one is determined by the Secretary-General in his 2006 report as one of the challenges for the relationship between the UN and regional organizations?

- Security Council's position as the ultimate authority
- Definition of the Secretary-General's role in this relationship
- Capacity-building
- Lack of a formal process
- Cooperation against global terrorism

10 What is the reason behind the expansion of the cooperation between the UN and regional organizations to the peacekeeping operations?

- Security Council's wish to transfer some of its authority to them
- Making greater use of their knowledge about the region
- Increased burden on the UN because of the increasing demand for new peacekeeping operations
- Need of more financial support for the peacekeeping missions
- Regional organizations' demand to participate in them

1. a

If your answer is wrong re-examine the topic of "Historical and Normative Background".

6. c

If your answer is wrong re-examine the topic of "Regions in the United Nations".

2. d

If your answer is wrong re-examine the topic of "Historical and Normative Background".

7. b

If your answer is wrong re-examine the topic of "Maintenance of International Peace and Security".

3. b

If your answer is wrong re-examine the topic of "Historical and Normative Background".

8. a

If your answer is wrong re-examine the topic of "Maintenance of International Peace and Security".

4. a

If your answer is wrong re-examine the topic of "Historical and Normative Background".

9. c

If your answer is wrong re-examine the topic of "Maintenance of International Peace and Security".

5. e

If your answer is wrong re-examine the topic of "Regions in the United Nations".

10. c

If your answer is wrong re-examine the topic of "Maintenance of International Peace and Security".

What are the reasons of the growth of regionalism? Is it related to the UN?

your turn 1

There are views that attribute the growth of regionalism to the failure of the universal security system of the UN. These views are inadequate in explaining the reasons of the growth of non-military regional agencies whose goals are mainly economic and social development. States seek greater market access, economic development, security, defence of common values, etc. through the regional organizations. Aside from that, they can consolidate state-building and democratization, keep the behavior of strong states checked, create norms and values, and make states more accountable.

Which electoral group Turkey belongs to? Does it correspond to its geographical position?

your turn 2

For electoral purposes, Turkey is considered as a member of the WEOG. But, because of its geographical position, Turkey also fully participates in the meeting of the GASS. It indicates that electoral groups do not reflect the geographical position of the state strictly, but also its political affiliation.

Find examples of these three kinds of collaboration between the UN and regional arrangements in peacekeeping operations.

your turn 3

1. 1993 LIBERIA-UNOMIL with ECOWAS
1994- GEORGIA-UNOMIG with CIS
TAJIKISTAN-UNMOT with CIS
2. There are many examples including Bosnia-Herzegovina with OSCE-
EU- WEU, Croatia, Georgia and Tajikistan with OSCE.
3. HAITI- ONUVEH and MICIVIH with OAS
KOSOVO- UNMIK with OSCE and EU

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Chapter 4

Classifications of Regional Organizations

After completing this chapter, you will be able to:

Learning Outcomes

1 Analyze different categorizations of regional organizations

3 Differentiate among regional integration theories

2 Examine the internal and external factors leading to regional cooperation or regional integration

4 Shed light on the concepts of diffusion, emulation and learning among regional organizations

Chapter Outline

Different Categorizations of Regional Organizations
Reasons for Cooperation and Integration
Regional Integration Theories
Diffusion, Learning and Democracy
Promotion

Key Terms

- Theory
- Cooperation
- Integration
- Rational Theories
- Intergovernmentalism
- Constructivism
- Emulation
- Diffusion
- Learning



INTRODUCTION

Regional organizations have started to have a considerable impact on global politics since the end of the Second World War. Regional governance structures have shown the capacity of affecting not only regional systems, but also the international system. They have become a new actor in a changing global system. Post-Cold War International Relations literature is full of arguments with regard to emergence of new type of actors besides states. In addition to non-governmental organizations, media and social media outlets, companies, individuals; international organizations and regional organizations have been added to the emerging actors.

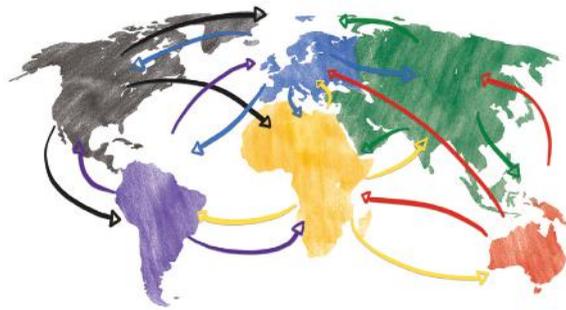


Figure 4.1 <https://www.istockphoto.com/tr/vekt%C3%B6r/k%C3%BCreselle%C5%9Fmenin-k%C3%BCresel-a%C4%9F-seyahat-veya-genel-ba%C4%9Flant%C4%B1-veya-oklar%C4%B1-ba%C4%9Flanma-ile-gm831567016-135270793>

Especially since the end of the bipolar system, regions and regional actors have been playing a greater role in the international system. Not only the number of regional organizations has been increasing considerably, but also the scope of their activities has been widening. Some of them have been renamed and reshaped by getting new organs and new functions. It can be stated that global politics has been regionalizing in some respects.

Regions and regional governance structures have emerged as new actors in international politics especially after the fall of the Berlin Wall.

Ever since the regional organizations did emerge, different types of organizations existed side by side, sometimes cooperating with other, sometimes rivalling each other, and sometimes learning from each other.

! important

There can be different types of relations among regional organizations. Some of them cooperate with each other, some of them are complementary. But some of them compete with each other.

The basic aim of this chapter is to analyze different categorizations of regional organizations. What are the different ways of classifying them? What are the basic criteria? How do different theories explain the emergence of different types of organizations? Why do some states prefer to cooperate in several areas or just in one specific area? Why do some others look for different ways of integration and creating supranational structures? Which factors affect the creation of cooperation-based organizations or integration-based systems?

Another important field of study will be about change and learning. Some international organizations start with the aim of cooperating, but then they start to integrate. How do we explain the change in the structure of regional organizations from cooperation to integration? How do organizations learn from each other?

In order to be able answer these questions, this chapter will consist of four sections. In the first part, different categorizations of regional organizations will be discussed. Then, reasons for regional cooperation and integration will be analyzed. In the third part, regional integration theories will be explained. In the fourth part, diffusion and learning among different regional organizations as well as democracy promotion policies will be dealt with. Regional organizations do communicate and interact with each other. In a globalizing international system, they sometimes face similar challenges and would learn from each

other. From time to time, they might imitate or they might accept characteristics of other regional organizations by adapting them to their own institution.

DIFFERENT CATEGORIZATIONS OF REGIONAL ORGANIZATIONS

There are two waves of regionalism in the modern times. The radical changes in the global system led to an attempt by the nation states to create new organizations. The first wave of regionalism started after the end of the Second World War. New regional organizations were established in order to cope with the political, economic and security challenges of the post-war era. NATO, Warsaw Pact and the European Coal and Steel Community can be considered as examples of these organizations.

Regionalism

“Political will to create a formal arrangement among states on a geographically restricted basis. Since its main participants are governments, it can be expressed as an artificial, top-down process.” (Hoshiro, Regionalization and Regionalism in East Asia, p. 2)

The second wave of regionalism started after the end of the Cold War. The fall of the Berlin Wall, the collapse of the Soviet Union, the dissolution of the Warsaw Pact, the spread of the liberal ideology resulted in the emergence of a new world order (or disorder). Since the 1990's new organizations were established. In addition, some organizations that had been established during the Cold War changed their names and structures in order to be able to adapt themselves to the changing circumstances. (Goltermann et al, Roads to Regionalism, 2012, p. 11) Each wave of regionalism has its own characteristics. As it is the case with all the actors of global politics, regional organizations change according to the *Zeitgeist* (spirit of time) as well.

important

There are two waves of regionalism. The first wave started after the Second World War. The second wave started after the end of the bipolar system.

There are different types of categorizations of regional organizations. First of all, they can be classified according to their aims. Why were they established? What were the aims of founders? Which functions do they try to fulfill? What does the founding charter/agreement state about the fundamental objectives of the organization?

Some of the organizations focus on single issue area. Some of them have far reaching multiple aims spanning different issue areas. The latter group can have more general objectives. (Ateş, Uluslararası Örgütler, 2012, pp. 228-229)

With regard to their basic aims some of them can be political organizations. They can seek to cooperate in political and foreign policy issues. By establishing regional political organizations, states might try to have a better representation in the international system. A nation state that can be considered as small or medium in terms of power parameters which does not have much maneuvering space in the global system. But if some of the small or medium nations states come together and establish an international organization, then they might have their voices heard. Only through the regional organization they can be taken into consideration by great powers.

The other type of regional organization is economic organizations. They are established by the nation states with the aim of cooperation in economic issues. There can be different stakes at hand. On the one hand, globalization can be an important driver for regional economic organizations. The wave of globalization creates economic competition among states. Because of the freeing of capital, states try to attract more foreign investment, and they try to increase their export capacity. Because of the spread of neoliberal ideology, almost all states (except North Korea) try

to be a part of the global economy. However, due to speeding up of the economic competition, regional states would like to create economic organizations, so that by combining their forces they can compete better in the global market.

The second driver of regional economic organizations is the aim of protecting themselves from the economic competition of other regional blocs in a much better way. The existing regional blocs could encourage the formation of new economic organizations in other regions. Since other countries could not enjoy trade advantages in the existing regional blocs, they might prefer to form their own organization. For example, NAFTA was established as a response to the European Union.



Figure 4.2 NAFTA member states: USA, Canada and Mexico, <https://www.istockphoto.com/tr/vekt%C3%B6r/kanada-meksika-ve-bize-bayrak-puzzle-par%C3%A7alar%C4%B1-nafta-anla%C5%9Fmas%C4%B1-i%C3%A7in-kavramsals-g%C3%B6r%C3%BCnt%C3%BC-gm833744136-135599267>

The third type of regional organizations can be security organizations. States would come together to protect themselves either from the perceived regional or outside enemies. If there is an actor in the region which countries regard as enemy, threat, or risk, they would form an organization. The other possibility is the existence of an external enemy. If there is a country or actor outside of the region that is perceived to threaten regional countries, it might also push states to initiate an organization.

! important

Security organizations aim to protect member states from common risks and threats. Risks and threats can stem from inside or outside the region.

There are also some regional organizations with general aims ranging from economic to cultural, from political to security objectives. These organizations are established to fulfill different tasks by the founding states. European Union can be given as an example for this kind of regional organizations.

In addition, economic organizations can be further classified as well since they try to realize different objectives. Some of them try to create a preferential trade area (PTA) among member states. Some of them aim to form free trade area by abolishing trade barriers. Some others would like to go further and initiate customs union in which they start a common external tariff toward third countries in addition to lifting or minimizing tariffs. Some of them would prefer to have a common market in which there is the free flow of goods, services, capital and labor. (Börzel, *Comparative Regionalism*, 2011, p. 9)

Another classification of regional organizations could be according to their bureaucratic structures. Some regional organizations do have hard bureaucratic structures. They have established written rules and they act according to those rules. However, there are also regional organizations that have flexible structures and they might prefer not to have too many written rules and principles. (Çalış, *Uluslararası Örgütler*, 2006, p. 9)

In the academic literature on regional organizations there are other classification methods as well. Some methods classify not the organizations themselves, but the present regional governance. What kind of regionalisms does exist in different parts of the world? How can we define the combination of different regional organizations and other regional structures? Old regionalism versus new regionalism is a way of distinguishing regional governance structures from each other.

Old Regionalism

A type of regionalism in which states play the most important role. According to this approach, regions are considered to be fixed structures.

In the old regionalism approach states are supposed to play the biggest role in the regional formations. It is the states, their leaders and their actions that determined the regional structures. Regions are considered to be fixed entities. However, the end of the Cold War led to a change in this state-centric approach. The approach of new regionalism claims that regions are social constructions, and therefore, they should not be perceived as given. In addition, states are not the only actors in the regions, but business associations, non-governmental organizations and other actors should be taken into account as well. Besides, it is not only political issues, but also economic, cultural and environmental issues that should be considered at the regional level as well. (Söderbaum, *Old, New, and Comparative Regionalism*, 2016, pp. 26-29)

New Regionalism

According to this approach, Multiple actors, like states, business communities and NGO's play the fundamental role in the establishment of regions. Regions are considered as not fixed, but constructed entities.

Shallow versus institutional regionalism is another way of classifying different regionalisms. Shallow regionalism represents a kind of regionalism that is based on cooperation among states. On the other hand, institutional regionalism defines deepening of the cooperation among states.

Regional governance structures can also be distinguished according to how they perceive the neoliberal economic system and globalization. Some of them represent closed regionalism because founding actors try to protect their borders against the competition from third parties and they

implement protectionist trade policies. They try to limit the import coming from non-regional countries in order not to lose their economic power. If the regional actors are economically weak and think that they could not compete with the extra-regional actors, they might be tempted to establish protectionist organizations. On the other hand, if the actors do have enough economic power and capacity to compete, then they can support open regionalism and establish regional organizations that are open to global markets and favor liberal economic policies. They try to increase their economic power by trading with the world.

In the closed regionalism, regional organizations try to protect themselves from the competition stemming from outside. However, in the open regionalism, organizations are open to global competition.

Another important differentiation among regional organizations is related to their structure and their basic aims. Some of the regional organizations try to solve a collective action problem that can be of political, economic or security nature. They can try to further their economic benefit or they can try to protect member states from regional or extra-regional threats or they can try to solve a political problem. If regional organizations do have limited aims and try to solve a particular problem, then they might prefer to focus on cooperation. In this case, the member states can decide via consensus.

However, if the relevant organization does have multiple objectives, and if the member states do have full trust in each other, if they have the aim of building a community together, then integration might be possible. If member states transfer some of their sovereign power to the organs of a regional organization, or in other words, accept to share their sovereignty, then we can talk about integration. In the next section, the differentiation between cooperation and integration will be further explored.

There are many internal and external factors affecting what kind of regional organization to be established. According to Karns, Mingst and Stiles,

there are six factors affecting the type of regionalism. First of all, they emphasize the importance of the factor of power relations. In some regions there can be a great power that would play a great role in the formation and functioning of the organization. Sometimes these great powers could also pay most of the budget of the organization. As an example, the position of Brazil in Mercosur and of Germany in the European Union can be given. In addition, the global hegemon can also try to have an impact on the initiation of some regional organizations as it can be seen in the case of the US impact for the EU and the Organization of American States. (Karns, Mingst and Stiles, International Organizations, 2015, p. 164)

Another factor affecting regionalism is the identity of the region. (Karns, Mingst and Stiles, International Organizations, 2015, p. 165) There are some theoretical approaches that would argue that regions do emerge as a result of natural processes. However, some other approaches, like constructivism, argue that regions do not come into being naturally, but they are being constructed. The creation of regional identity is important for the formation of regions. In fact, identity and regionalism affect each other mutually. The emergence of a regional identity would push forward the establishment of a regional organization. In addition, the regional organization via its functioning would reproduce or change the regional identity. Especially in the new regionalism approach the construction of regions is important.



Figure 4.3 Mercosur member and associate states, <https://www.istockphoto.com/tr/vekt%C3%B6r/mercosur-countries-map-with-suspended-venezuela-gm627110088-110993217>

Constructivists argue that regions do not emerge themselves but they are constructed.

Not only identities but also ideologies can play an important role for regionalism. Ideologies were much more important during the Cold War, however, they still play a certain role in the contemporary world. The liberal ideology was important for the establishment of NATO and the EU, whereas socialist ideology became the founding stone of the Warsaw Pact organization. Likewise, the ideology of Pan-Arabism affected the formation of the Arab League, while the ideology of pan-Africanism played an important role in the establishment of the Organization of African Unity. (Karns, Mingst and Stiles, International Organizations, 2015, p. 165)

The existence or perceptions of threats can be another factor for regional organizations. If there is an actor within or outside the region, that threatens or is perceived to threaten regional states, it might be an important reason bringing states together under the umbrella of a regional organization. The perceived socialist threat became the major factor for the formation of NATO. The perceived German threat was important for the formation of both NATO and the EU because it was believed that German nationalism could only be weakened by engaging with Germany. In addition, the Iranian Revolution in 1979 and the Iran-Iraq war

Regional Identity
If there are common values, norms and beliefs in a region linking people together, then we can consider the existence of regional identity.

between 1989-1988 became the major reasons for the initiation of the Gulf Cooperation Council since the Gulf countries were alarmed by these events. (Karns, Mingst and Stiles, *International Organizations*, 2015, pp. 165-166)

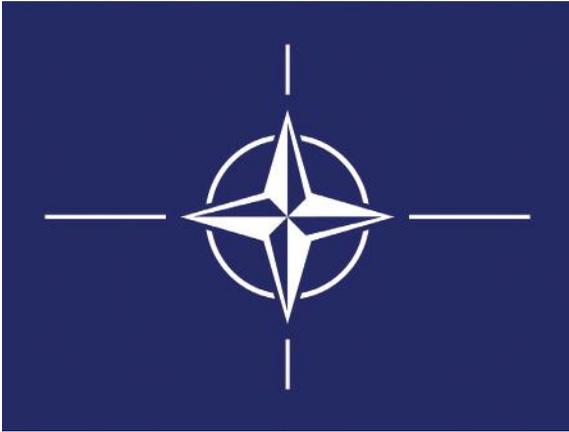


Figure 4.4 NATO emblem, <https://www.istockphoto.com/tr/vekt%C3%B6r/the-flag-of-the-north-atlantic-treaty-organization-gm472330921-24927621>

Political regime of regional states is another important dynamic. If regional countries do share similar economic and political systems, it might be much easier for them to cooperate or integrate. (Karns, Mingst and Stiles, *International Organizations*, 2015, pp. 166-167) For instance, if all or most of the countries do have democratic political systems, they can much easily come together and have confidence in each other. Similarly, if they have liberal economic systems, they can establish regional economic organizations based on neoliberalism.

The leaders of the countries should be considered as well by studying the regional organizations. Without understanding the thoughts of Jean Monnet and Robert Schuman, the European Coal and Steel Community cannot be explained. They played a pioneering role in the initiation of the European integration process. (Karns, Mingst and Stiles, *International Organizations*, 2015, pp. 167) Another example can be given from the Black Sea Economic Cooperation Organization (BSEC) that was established in 1992. Without the leadership of the President Turgut Özal, BSEC would not have come into existence.



Figure 4.5 Black Sea Economic Cooperation Organization, <https://www.istockphoto.com/tr/ill%C3%BCstrasyon/bsec?assetfiletype=eps&mediatype=illustration&phrase=bsec&excludenudity=true&sort=best>

Economic dynamics might also affect regional governance. Whether regional states are interdependent on each other and/or whether their economies complement each other are important factors that would be a great stimulus for the creation of regional institutions. (Karns, Mingst and Stiles, *International Organizations*, 2015, pp. 168) If states are interdependent on each other economically, this might lead to the creation of common interests. The regional states would discover their mutual interests.

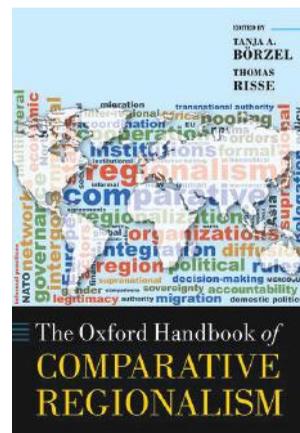


Figure 4.6 The Oxford Handbook of Comparative Regionalism, https://www.google.com.tr/search?q=oxford+handbook+comparative+regionalism&source=Inms&tbm=isch&sa=X&ved=oahUKEWjppj86dh6PcAhVjCpoKHYdMBYoQ_AUICigB&biw=1366&bih=582#imgrc=bBsoY7FJKizeHM:

Regional Organizations

The structure of the international system can be another factor affecting regionalism. The existence of unipolarity, bipolarity or multipolarity would have an impact on the type of regional organizations that are established. In the case of unipolarity, the hegemon would try to maintain its unique status via regional and international organizations. Meanwhile, if there is a bipolar global system, each great power would try to create its allied regional organizations. If there is multipolarity, each big power would attempt to have its own impact. Therefore, in studying establishment, development and functioning of different regional organizations, the structure of the international system should be taken into consideration as well.

In the next section, the factors driving countries to cooperation or regionalism will be explored.



your turn ¹

Analyze the importance of threat perception for the establishment of regional organizations.

REASONS FOR COOPERATION AND INTEGRATION

Some regional organizations are established with limited aims by the founding actors. There can be different objectives of the founders. They might try to solve a security problem together or they might want to further their economic interests. Alternatively, they can also have cultural or political targets. The fundamental feature of these organizations is that they would like to solve a collective action problem via cooperation. Most of the time, member states decide by consensus and they comply with the principle of non-interference in internal affairs. These regional organizations do have the fundamental aim of cooperating in order to fulfill a certain task or realize limited aims.

However, some other regional organizations do have greater aims than cooperation. They can go beyond simple cooperation and try to integrate in some areas by creating supranational organs. Ernst Haas defines integration as follows:

- “the process whereby political actors in several distinct national settings are persuaded
- to shift their loyalties, expectations and political activities toward a new and larger center, whose institutions possess or demand jurisdiction over the preexisting national
- states.” (Haas, “International Integration”, 1963, p. 7)

In sum, regional organizations can be classified into two groups according to their organizational structures. Some of them just focus on cooperation in certain issue areas, however, the second group of them integrate their policies by moving beyond the Westphalian understanding of sovereignty.

However, one must also note that elements of cooperation and integration can together exist in the same organization. A regional organization would prefer to cooperate in certain areas, however, in some other areas it might integrate. For example in the European Union, some issues, like enlargement policy, are being decided by consensus. Therefore, we can state that in that issue area member states do have a cooperative relationship. However, in some other areas like agriculture or trade, they have already achieved integration of their policies.



European Union website, https://europa.eu/european-union/index_en

Integration might involve two characteristics: pooling and delegation. The concept of pooling is related to the decision-making mechanism within the organization. There are different ways of taking decisions. If there is the rule of consensus for any decision to be taken, then one cannot talk about pooling. However, if the decisions are being taken by the qualified majority voting, then there is pooling. (Lenz and Marks, “Regional Institutional Design”, 2016, p. 514)



In the case of pooling, member states decide by qualified majority voting. In the case of delegation, the decision making authority is transferred to regional organization.

In the case of delegation, the authority of deciding is transferred from the member states to the organization. According to the Westphalian state system since the 17th century, it is acknowledged that states do have sovereignty. In addition, it has been considered as a general rule that states do not want any interference in their sovereignty. However, with radical changes taking place in global politics, the meaning and scope of sovereignty also change. In the case of the EU, there are both pooling and delegation in many issue areas.

How would it be possible that some states can share their sovereignty with a regional organization, delegate it some of their authority voluntarily and accept to take decisions by qualified majority voting? What are their interests? Why are they not insistent on keeping their sovereignty intact? How can they achieve to go beyond the Westphalian understanding of democracy?

Why do we have two groups of states? Some of them would like to continue to embrace their whole sovereignty and establish organizations to cooperate, but some others can go beyond the classical understanding of sovereignty and create organizations to be able to share their power. In other words: Why do some actors prefer to cooperate through regional organizations? Why do some others aim to integrate via organizations?

States might have different approaches toward sovereignty. Some states think that sovereignty can be shared with the aim of weakening nationalism and preventing any possible future conflicts. Therefore, they can be a part of regional organizations that have the objective of integration. However, some others think that sovereignty should be maintained at all costs. These states keen on protecting their full sovereignty they can also be interested in joining international organizations, because of their belief that regional organizations can help them keep their sovereignty against external threats. (Acharya, "Regionalism beyond EU-Centrism", 2016, p. 115) This is a firm belief mainly by the ex-colonies.

According to Ernst Haas, one of the greatest founders of the neofunctionalist theory of European integration, democracy is one of their key words to be able to explain the differentiation in the spectrum of cooperation versus integration. There must be a pluralist social structure for integration

to emerge and to flourish. Pluralism allows internal actors to have influence over the decisions of the government. Hence, it allows the sharing of power in the internal context as well.



Neofunctionalism

<http://testpolitics.pbworks.com/w/page/25795541/Neo%20-%20functionalism>

Haas argues the following:

"...countries dominated by a non-pluralistic social structure are poor candidates for participation in the integration process. Even if their governments do partake, at the official level, the consequences of their participation are unlikely to be felt elsewhere in the social structure." (Haas, "International Integration", 1963, p. 16)

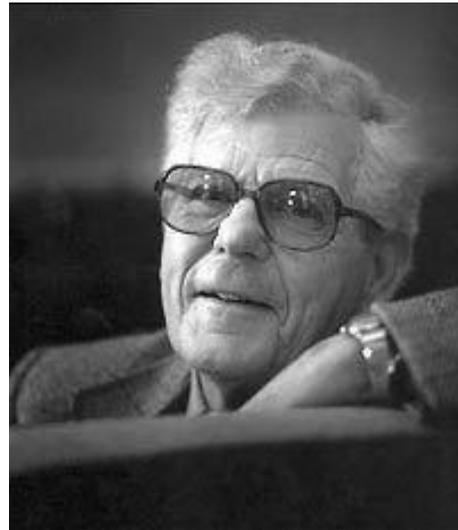


Figure 4.7 Ernst Haas, father of neofunctionalism, <https://alchetron.com/Ernst-B-Haas>

Therefore, we cannot expect authoritarian states to initiate or take part in regional integration efforts, because of their concern that any kind of pooling or delegation of their authority might undermine their authority at home. (Wirminghaus, "Ephemeral Regionalism", p. 39) Because of that, even if authoritarian states establish or join

regional organizations, they only would like to cooperate. In fact, in the literature it is argued that even authoritarian states want to join the organizations in order to create legitimacy for their illiberal regimes in the global system and to take part in family photos in order to increase their soft power. Through these “photo opportunities”, these leaders try to give the image to their domestic constituencies that “rulers are adopting best practices.” (Lenz and Marks, “Regional Institutional Design”, 2016, p. 526) Therefore, the function of some of the regional organizations as the legitimacy providers for authoritarian regimes should not be underestimated. This is called as the regime-boosting impact of the regional organizations.

Authoritarian states do not want to take part in the regional integration efforts, because they do not want to share their sovereignty.

The second driving factor of regionalism could be economic development. If a country has a developed economic system and highly industrialized economic structure, this would result in the emergence of demands from different socio-economic groups. These demands would push the government toward regional organization. In those states there is the expectation that integration would benefit the welfare and security. (Haas, “International Integration”, 1963, pp. 14-15) Haas argues that if the country is industrialized and the society is pluralist, then there would occur integration. (Haas, “International Integration”, 1963, p. 30)

The third factor is ideology. If the ideological approaches are similar in different regional states, this might also lead to the foundation of regional integration. If the political space witnesses similar ideological variation among different regional countries, this might also be an important factor leading to integration.

Common ideological approaches can be an important factor helping regional states come together around a regional institution.

Haas also states that in the global politics there are different ways of providing solution to the conflicts. First, there can be a solution based on the minimum common denominator. The parties to the conflict might find the minimum stake, and they can prefer to cooperate on that basis. Second, there can be a solution on “splitting the difference”. At this level, the common ground is bigger than the minimum. Mediation or an *ad hoc* expert group can negotiate between the parties. Third, there can be a solution on “upgrading the common interests of the parties.” (Haas, “International Integration”, 1963, p. 8) At this third level we can expect a real integration effort among the regional countries.

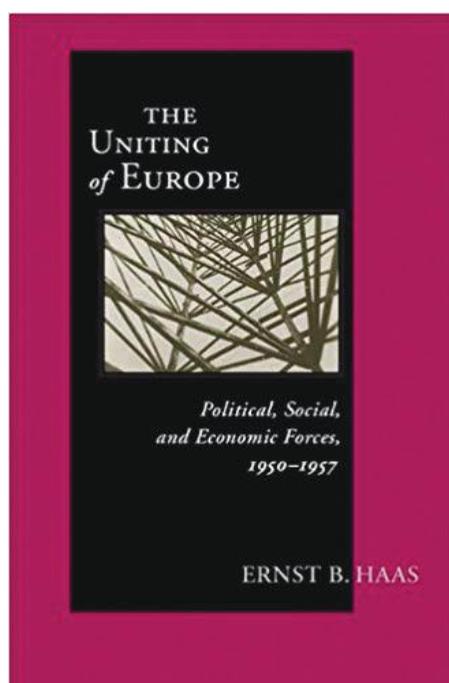


Figure 4.8 Ernst B. Haas, The Uniting of Europe. Political, Social and Economic Forces, 1950-1957.

In addition, the impact of the international system on the formation of international organizations should be considered as well. International system would encourage organizations to cooperate or to integrate.

The existence of regional or global threats affects the type of regional organizations as well. If there is a threat affecting regional states, then they would consider to establish a security organization that would go beyond cooperation and aim to integrate. (Haas, “International Integration”,

1963, p. 16) Throughout history it was seen that threats or security risks do encourage states to come together. When states understand that the size of the threat is greater than they could handle alone, they would come together and establish security policies together. This cooperation would result in integration and foundation of security community by time. Another alternative is that regional organizations could be based on just cooperation.

The concept of “security community” was developed by Karl Deutsch. (Deutsch, *Political Community and the North Atlantic Area*, 1957) If societies have high level of economic transactions, increasing social ties, high human mobility, it does have repercussions in their security approached toward each other. He argues that through increasing communication and transaction among societies they could establish a security community in which they develop peaceful relations. Among those societies there is not any possibility of war. They try to solve their problems in a peaceful way. (Deutsch, *Political Community and the North Atlantic Area*, 195 ; Jackson and Sørensen, *Introduction to International Relations*, 2007, p. 101)

Deutsch differentiates between two types of security community: pluralist security community and amalgamated security community. In the former, states cooperate in their security ties. In the second, they establish their security policies together. (Deutsch, *Political Community and the North Atlantic Area*, 1957)

Another important factor affecting whether there would be cooperation or integration among states is the leadership. In the literature there are some theoretical approaches focusing on the individual level of analysis. Whether a single leader can change the course of history or not is open to contested explanations, but we can argue that throughout history there were some experiences showing us that leadership could play a fundamental role in the unfolding of history.

Individual level of analysis focuses on analyzing the values, norms, beliefs and mindset of decision makers.

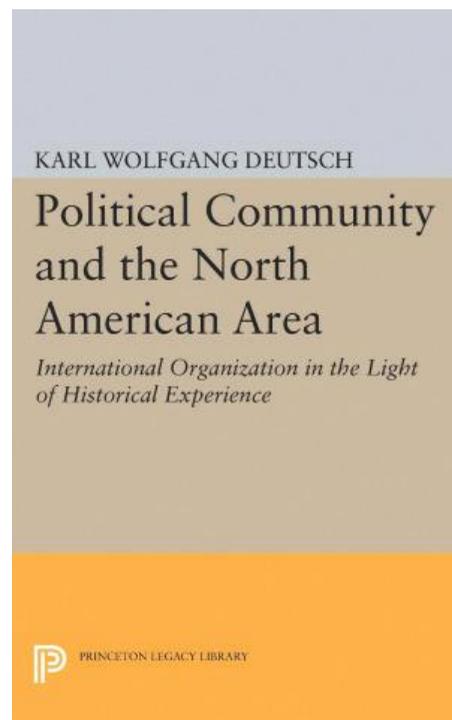


Figure 4.9 Karl Wolfgang Deutsch, *Political Community and the North American Area*

Hence, the role of Jean Monnet, Robert Schuman and Konrad Adenauer should be taken into consideration in studying the emergence of the European integration process. Just a few years after the end of the Second World War, it was a brave initiative on the part of German and French leadership to start a regional organization of supranational nature. Robert Schuman in his Declaration on 9 May 1950 stated that “World peace cannot be safeguarded without the making of creative efforts proportionate to the dangers which threaten it.” (Quoted in Manners, “The Normative Ethics of the European Union”, 2008, p. 45)

Meanwhile, Jean Monnet in 1962 explained the logic of the foundation of the European Community in the following way:

“Our impression predominates in my mind over all others. It is this: unity in Europe does not create a new kind of great power; it is a method for introducing change in Europe and consequently in the world. People, more often outside the European Community than within, are tempted to see the European Community as a potential nineteenth-century state with all the overtones this implies. But we are not in the nineteenth

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century, and the Europeans have built up the European Community precisely in order to find a way out of the conflicts to which the nineteenth-century philosophy gave rise.” (Quoted in Manners, “Normative Power Europe Reconsidered: Beyond the Crossroads”, 2006, p. 182)

These quotations by Schuman and Monnet emphasize use one: that or how they tried to overcome the security dilemma of the earlier times by creating a supranational organization.

After analysing the main factors and driving forces leading to cooperation or integration, the next section delves into explaining theories of European integration.



your turn ²

Is there any relationship between political regime type and regional integration? Explain and discuss.

Explaining Integration: Theoretical Approaches

This section tries to analyze the causes of integration among countries. Why would states prefer to integrate in certain areas? What kind of advantages do they expect from integration? How can we explain the dynamics leading to integration? In fact, most of the literature on integration concentrates on the case of the European since it is the only supranational organization. There are also examples of some other organizations who try to integrate in several fields in a limited way, EU is still the best example of how integration could be realized at the regional level.

The first theoretical approach to be examined is functionalism and neofunctionalism. According to the functional theory, the functional needs of individuals and states would lead to the establishment of international institutions. As the technology changes and the needs of societies change, there would occur a need to establish organizations in order to be able to fulfill the emerging new functions.

According to the functional theory, functional needs of actors lead to the establishment of international organizations.

Functionalists mainly focus on governance at the international level. They try to understand whether cooperation and integration at the international level is possible or not. They think that it is possible because of the changing international circumstances. Mitrany argues in his historical book *A Working Peace System* that functionalism aims “not how to keep the nations peacefully apart but how to bring them actively together”. He also thinks that there would be “a spreading web of international activities and agencies, in which and through which the interests and life of all nations would be gradually integrated.” (Quoted in Karns, Mingst, Stiles, *International Organizations*, 2015, p. 49 from Mitrany, *A Working Peace System*, 1946, pp. 7 and 14.)

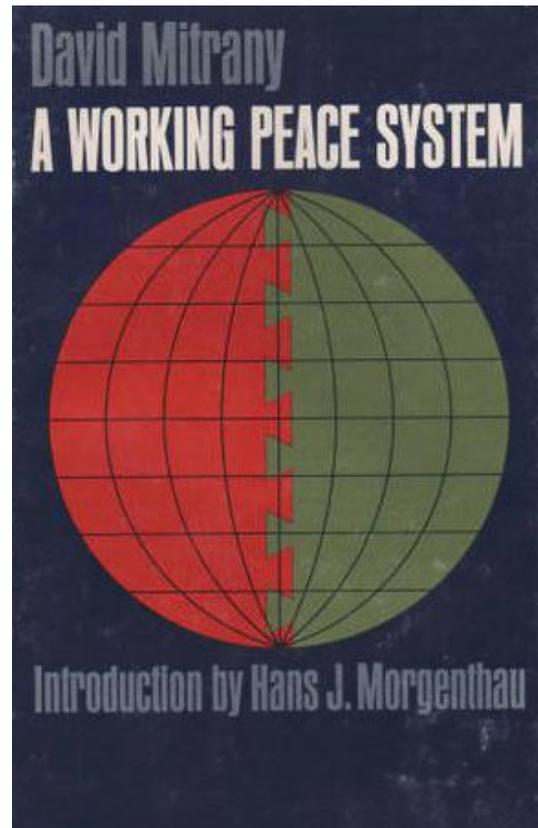


Figure 4.10 David Mitrany and his book *A Working Peace System*.

Functionalists argue that states should start cooperation from non-political fields, like economics or technology. Benefitting from the advantages of non-political cooperation they would get the habit of cooperating. They would come to the point that as long as they cooperate, all of them could win at the same time. Since the first areas of cooperation would not be related to sensitive issues like security or foreign policy, sovereignty of states would not be harmed.

Spillover

Spread of the area of cooperation or integration from one field to another. It is argued by functionalists and neofunctionalists that the direction of spillover is from technical fields to political issues.

There are many examples of international organizations that can be explained through functionalism. For example, technological developments in the 19th century led to functional need of coordinating the communication among states that resulted in the foundation of the Universal Postal Union (UPU). UPU is the second oldest international organization having membership of 192 states. (<http://www.upu.int/en/the-upu/the-upu.html>)

Similarly, after the increase of navigation, the Commission for Navigation on the Rhine River was established. International Labor Organization was established in order to coordinate the relationship between workers and businesspeople. Therefore, functional needs of societies and states lead to the establishment of new organizations. Hence, the form of regional organization follows its function.



Figure 4.11 Flag of the Commission for Navigation on the Rhine River, https://www.google.com/search?q=commission+for+navigation+on+the+rhine&source=lnms&tbm=isch&sa=X&ved=oahUKEwiMwaiWnKPCAhXOyKYKHTEuCHMQ_AUIDCgD&biw=1366&bih=631#imgrc=NpG2Mdi4SV8QRM:

Functionalists would argue that experiencing the benefits of cooperation in technical and economic fields would lead to cooperation in security and political issues as well. They call it the spillover impact. (Karns, Mingst, Stiles, *International Organizations*, 2015, p. 49) Getting the habit of cooperation in unsensitive issues would spread the cooperation to political fields as well. The actors through cooperating would get new identities and emphasize international cooperation, and maybe even more integration.

Ernst Haas further worked on functionalism and came up with the theory of neofunctionalism. Although functionalists tried to bring a new explanation to international cooperation, neofunctionalists focused on the European integration process and tried to analyze it. Haas tried to understand how an integration process on the European continent started from the raw materials of coal and steel and then spread to other areas of economy. How the supranationalism was

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realized in the European case was an important research question. He argues that there are different interest groups in different states and these interest groups can come to the understanding that if they cooperate, they would gain together. Therefore, they would start encouraging their governments to establish institutions to create linkages with their fellows in other states. Transnational linkages and transnational interest groups, therefore, play an important role in studies of Haas. (Özen and Tonus, *Uluslararası Örgütler*, 2013, p. 13)

Neofunctionalists, like functionalists, also focus on spillover of cooperation or integration from non-political issues to political issues, but as different from the functional approach, they argue that the spillover from technical to political issues does not have to be an automatic process. Therefore, the role of the leadership of nation-states should be emphasized. For the spillover to occur, initiatives and decisions of the political leaders are quite important. (Karns, Mingst, Stiles, *International Organizations*, 2015, p. 50)

The other approach toward the European integration is liberal intergovernmentalism. Liberal intergovernmentalism takes its inspiration from rationalist theories that focus on state interests and rational choice assumption. It argues that states should be considered as the main actors in global and regional politics. Through their negotiations institutions can be established. States try to maximize their interests by establishing regional organizations. It differs from realism because of its assumption that national security is not the key issue in inter-state relations. It also argues that states do not have the same identities. (Moravcsik and Schimmelfenning, “Liberal Intergovernmentalism”, 2009, p. 68)



internet

Intergovernmentalism: <http://hum.port.ac.uk/europeanstudieshub/learning/module-4-theorising-the-european-union/3-intergovernmentalism-liberal-intergovernmentalism/>

Liberal intergovernmentalism argues that states' decision to work together is based on three stages. First of all, states need to decide about their national interests. After that, they should enter into bargaining with other actors in order to decide about the framework of agreement to be signed. At the third stage, international organization would be established in order to be able to realize their objectives. (Moravcsik and Schimmelfenning, “Liberal Intergovernmentalism”, 2009, p. 69) However, “member states are ‘masters of the treaty’ and continue to enjoy pre-eminent decision-making power and political legitimacy.” (Moravcsik and Schimmelfenning, “Liberal Intergovernmentalism”, 2009, p. 68)

Considering the European example, the approach of liberal intergovernmentalism argues that there is asymmetrical interdependence. That means each actor can benefit from an agreement to a different degree. In addition, liberal intergovernmentalism believes in the possibility of supranationalism. It argues that states might prefer to delegate part of their authority to international organizations. That decision is based on their calculation of utility, since supranationalism might decrease transactions costs in some areas. Instead of deciding on every issue themselves, states might come to the conclusion that some issues can better be handled via regional or international institutions so that the cost of dealing with them at the national level can be avoided. (Moravcsik and Schimmelfenning, “Liberal Intergovernmentalism”, 2009, p. 70-73)

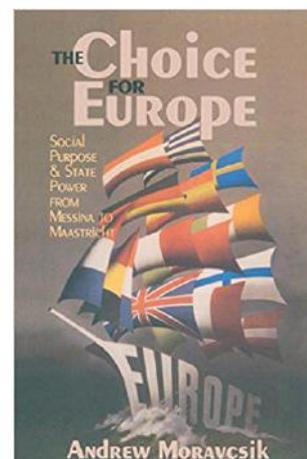


Figure 4.12 Andrew Moravcsik, one of the fathers of intergovernmentalism and his book, *The Choice for Europe*.

Constructivism came to the agenda of International Relations literature in the late 1980's by the book of Nicholas Onuf, entitled *World of Our Making: Rules and Rule in Social Theory and International Relations* in which he argued that like all social realities international relations can be constructed by people.

As a middle way theory between positivist and post-positivist approaches, constructivism benefits from the epistemology of positivism and ontology of post-positivism. The basic assumptions of constructivism can be summed up as follows: Like realists they also believe that there is an anarchy in the international system, however, despite the existence of anarchy, cooperation or even integration among states is possible. According to constructivists, there are three types of anarchy. First is the Hobbesian anarchy in which states consider each other as enemies. In the Lockean type of anarchy despite the existence of rivalry states cooperate with each other. On the other hand, in the Kantian anarchy, states perceive each other as partners and they can develop common interests. (Wendt, *Social Theory of International Politics*, 1999, p. 247)

important

Constructivists argue that international organizations are important actors in the global system. They believe that international organizations can affect policies of nation states as well as functioning of the international system.

Identity is one of the keywords of constructivist thought. Like individuals or societies, states are considered to have identities as well. Through their long history, states develop an identity for themselves that do play an important role in the construction of their interests. Constructivists donot believe in given and fixed national interests of states. They argue that national interests are constructed in compliance with state identity. For example, if a state develops a civilian and civilizing identity, its

foreign policy will be formulated in harmony with it. However, if a state develops an aggressive identity, its foreign policy will be determined according to it. (Demirtaş, "İnşacılık", 2014, p. 160)

In addition, according to constructivism, not only material factors, but also ideational factors are important in international politics. Constructivists do not deny the importance of material power, like military and economic power, but they also emphasize the importance of norms, rules, principles and values.

Constructivism argues that international organizations are important global actors like states, business communities and NGO's. Based on their belief systems, values and norms, states would establish international institutions. If they have appropriate identities, states can cooperate or even integrate with each other through regional/international organizations. European Union, The Council of Europe, Mercosur, ASEAN are examples of how states can cooperate effectively through organizations.

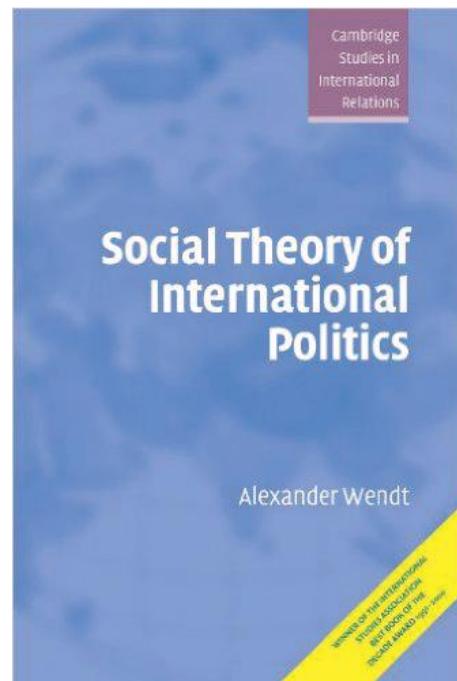


Figure 4.13 Alexander Wendt and his book *Social Theory of International Politics*.

Since constructivists believe that identities can be constructed and reconstructed, they also put an emphasis on the role of organizations in that

process of identity reformulations. Perceiving international organizations as important players like states, they focus on the interaction between states and organizations. Once a state becomes a member to an international organization, its identity can change through its membership. A process of learning can be possible in the functioning of the organization. In sum, according to the constructivist theory, regional/international organizations have the potential to make a change in the identity of the state.



Introducing Constructivism in International Relations Theory, <http://www.e-ir.info/2018/02/23/introducing-constructivism-in-international-relations-theory/>

In addition, international organizations might also contribute to the creation of new norms, values and principles. When member states come together, they can contribute to the creation of new international legal principles and values. Through international organizations, those new principles and values can be transmitted to the member states.

In the next section; diffusion and learning among regional organizations will be explained. Besides, the case of democracy promotion by the EU will be studied as an example of how and to what extent regional organizations can have an impact on other states in the issue of democratization.



your turn ³

Compare and contrast intergovernmentalist and constructivist approaches.

DIFFUSION, LEARNING AND DEMOCRACY PROMOTION

In an era of regionalization and globalization, actors in the international system are constantly in interaction with each other. That is also true for regional organizations. They learn from each other,

try to emulate best practices and contribute to each other's policies. Although contacts among regional organizations are not new, the pace and scope of interaction has been gaining speed since the 1990's.

This interaction does not always have to follow the pattern of cooperation, sometimes it can also be as a result of rivalry. Regional organizations can compete with each other in a globalizing world as well. This inter-organization rivalry can also lead to the implementation of new policies.

Another possibility is that some regional organizations can be perceived as rivals by some states and this might push them to establish new institutions together with their allies. A good example could be the foundation of the Eurasian Economic Union (EEU) by the Russian Federation, Belarus and Kazakhstan in 2014 when the crisis in Ukraine was still going on. From the perspective of the Russian President Vladimir Putin, EEU was perceived as an alternative to the EU. (Risse, "The Diffusion of Regionalism", 2015) When you look at the official website of the EEU, its terminology is very much similar to the EU like "regional economic integration", "free movement of goods, services, capital and labor", "coordinated, harmonized and single policy in the sectors". (<http://www.eaeunion.org/?lang=en#about-info>) EEU is just one example how the model of one organization can affect other organizations.



Figure 4.14 <https://www.istockphoto.com/tr/vekt%C3%B6r/avrasya-ekonomik-birli%C4%99Finin-kare-bayraklar%C4%B1-gm658212284-120075493>

Diffusion can be defined as the impact of an organization on other organizations. It can be through various actors and instruments. In order to be able to talk about diffusion, first of all, there must be a stimulus, an organization to be taken

as a model. Second, there must be an issue or a problem. The actors involved would like to learn from the policies of the organization that they consider to be the stimulus. (Risse, “The Diffusion of Regionalism”, 2015)

Diffusion

Affect of an organization on institutional structure or decision making mechanism of another organization.

“What is to be diffused” is an important question when organizations try to learn from each other. According to Risse, there might be three objects of diffusion. First, the notion of regionalism can be taken as a model. Second, the institutional structure of an organization can be inspiring for other organizations. Third, norms, rules, principles, decision-making procedures of an organization can be adopted to other organizations.

“Traveled governance” has become an important concept in the literature because the governance structures of certain regions can have a substantial impact on others. (Korte, “Why did NAFTA and ASEAN Set Up Dispute Settlement Procedures?”, 2012, p. 111) Although the EU is studied most in terms of the diffusion of its model and institutions and considered to be “the golden standard of regional integration”, (Börzel and Risse, “Diffusing (Inter-Regionalism”, 2009, p. 9) there are some other organizations that have an impact on others as well. Especially Acharya’s studies elaborate on how the non-Western organizations affect each other as well. (Acharya, “Regionalism beyond EU-Centrism”, pp. 109-130) Therefore, the EU should not be perceived as the first and only organization that does have a capability to spread its norm, values and structures.

There are five mechanisms of diffusion among regional organizations. First of all, there is the possibility of physical coercion or threat of coercion. EU does not use it in its relations with third states, but, internally, we can argue that there is a legal coercion, because member states are obliged to accept and implement EU legislation. In case of regional organizations consisting of democratic states, physical coercion is not a realistic possibility.

Second mechanism is giving incentives to other actors to accept the diffusion. The incentives could be provided through conditionality or giving technical or financial assistance. Third, socialization can be another way of transferring norms and institutions. Fourth way of diffusion is persuasion. The relevant party can be persuaded to accept the norms. Fifth, there is the possibility of emulation. If an actor is not happy with the status quo, it can look at the best practices available and try to implement or adapt them. (Börzel and Risse, “Diffusing (Inter-)Regionalism”, 2009, pp. 6-8) In the case of the diffusion of the EU model, all mechanisms are possible.

Regional organizations can be inspired from each other. They can benefit from the working structure, organs and experiences of other organizations.

There are many examples of how the diffusion process would occur among regional organizations. For example, ASEAN was very much inspired from the EU example especially after the end of the Cold War. The New ASEAN Charter established three communities: Political-Security Community, Economic Community and Socio-Cultural Community. This structure has many similarities with 3-pillar European Union created by the Treaty of Maastricht.

There are also many examples of the diffusion of the EU model. Organization of Africa Unity changed its name as African Union in 1999. Andean Pact became Andean Community in 1997.

The EU also promotes its own model directly towards certain regions, i.e. the Western Balkans. The following quotation is of historical importance:

“The EU is built on a foundation of regional co-operation. The experience of its founding Member States and later adherents is that political understanding, economic and social prosperity depend on close co-operation with neighbouring countries across the broadest possible range of activities. The EU demonstrates how peoples can overcome hatred and division and join together in a common cause. Integration with the EU is only

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possible if future members can demonstrate that they are willing and able to interact with their neighbours as EU Member States do. The five countries face a number of common threats and developmental problems which they can only sensibly deal with by working together with each other, the EU and other neighbouring countries. This requires a big effort on the part of the countries of the region to demonstrate the maturity that would be demanded of them as future candidate countries. The EU has no interest in reinforcing or recreating a single Balkan space for its own sake; but rather an interest in sharing its own experience of regional co-operation and integration between strong but mutually dependent nation states. The fears which are sometimes expressed; for example in Croatia, that regional co-operation will hold back its integration in Europe are groundless: co-operation with its neighbours will act as a stimulus for further development and help the country to develop the working methods and practices which are integral to EU membership.” (Report from the Commission - The Stabilisation and Association process for South East Europe - First Annual Report)



your turn ⁴

Can we talk about rivalry among regional organizations? Why? Discuss.

Democracy Promotion

In this section, the EU’s democracy promotion policies will be examined as an example of diffusion. First of all, the concept of democracy should be defined. According to the literature, two elements are necessary in any democratic entity: competition and participation. The former assumes that political parties must compete in free and fair elections. The latter involves the participation of peoples in decision-making processes, protection of fundamental rights and freedoms as well as preservation of minority rights.

Democracy promotion means how an actor encourages other actors to implement democratic norms and policies.

Whether or to what extent international actors can have an impact on the democratization processes of states is a never-ending question. When we look at historical examples, we see that there have been many cases in which external actors, sometimes states, sometimes international organizations, have had a considerable impact on states. There are four different ways of affecting democratization. (Kubicek, “International Norms, the European Union, and Democratization”, 2003, pp. 4-7)

First way is the use of coercion. According to coercion, the external actor gets the political institutions of a state under its own control. This measure can sometimes involve the use of force as well. Sometimes, the use of force might result in the emergence of democratic state, as it was the case after the US occupation of Germany and Japan, or it might destroy the existing democratic institutions, as it was seen in the situation of Soviet occupation of Central and Eastern European countries. (Kubicek, “International Norms, the European Union, and Democratization”, 2003, pp. 4-5)



Benita Ferrero-Waldner, European Commissioner for External Relations and European Neighbourhood Policy, “The European approach to democracy promotion in post-communist countries”, file:///C:/Users/User/Downloads/SPEECH-07-29_EN.pdf

The second way of democracy promotion is contagion, according to which a democratic country/actor can have a positive impact on another actor. It can be perceived as an attractive model. The *Zeitgeist* (time spirit) can encourage the democratization process as it was seen in the democratization waves of the post-Second World War era and post-Cold War period.

Third way is convergence. In this method, the actor in question would like to adapt the democratic values. There can be two basic reasons why a state would like to democratize. First, an actor would like to get a carrot, and therefore, it can carry out reforms. This is called instrumental convergence. Second reason is internalization of democratization as constructivism would argue. According to it, states would embrace the importance of democracy as result of the socialization process. Hence, they try to establish democratic institutions not in order to receive any rewards, but because of their belief in democratic values and norms. (Kubicek, "International Norms, the European Union, and Democratization", 2003, pp. 5-6)

Fourth method is conditionality according to which states would get some rewards in return for their implementation of democratic principles. These rewards can be membership to the EU, progress accession process, or getting financial assistance. EU's Copenhagen criteria and human rights clauses included in treaties with third states can be given as examples of conditionality. (Kubicek, "International Norms, the European Union, and Democratization", 2003, p. 7)

Conditionality

The requirement to fulfill certain conditions in order to get a benefit, reward or be entitled with membership.

Although the European integration process is based on the democratic principles from the beginning, it was only after the end of the Cold War that the EU used democracy promotion as a foreign policy tool in its attempt to democratize its neighborhood. The Union included the elements of promoting the state of democracy in the neighboring areas through *Poland and Hungary Aid for the Reconstructing of Economy* (PHARE) Program and *Technical Assistance to the Commonwealth of Independent States* (TACIS) Program. ("Evaluation of the Phare and Tacis Democracy Programme"). Hence, by giving economic and political carrots, it was aimed to democratize those states as well as to empower the civil society. However, it should be stated that EU's democracy promotion became

partially successful in Central and Eastern Europe, but it did not get any concrete result in Central Asia. It can be stated that EU's democratization affect becomes most successful when it offers full membership carrot.

The emphasis of democracy in EU's foreign policy is also evident in its ties with the African countries. In the Fourth Lome Convention in 1989, the EU emphasized the importance of democracy, human rights and rule of law in its relations with the African countries. (http://ec.europa.eu/development/body/cotonou/lome_history_en.htm and Saatçioğlu, "Avrupa Birliği ve Demokratikleşme", 2012, s. 659.)



The Cotonou Agreement between the EU and African countries, http://ec.europa.eu/development/body/cotonou/lome_history_en.htm

The Treaty of Maastricht has become a turning point in EU's history of democracy promotion. The Treaty stated that the EU was established on the basis of democratic principles. At the same time, it emphasized that one of the aims of the Common Foreign and Security Policy has been improving and consolidating democracy, rule of law, respect for human rights, and fundamental freedoms. (Treaty on European Union, Maastricht, 7 February 1992, Article 11/1)

Another turning point was the Copenhagen Summit in 1993. The Copenhagen criteria were accepted in the Summit. All candidate states are expected to apply the Copenhagen criteria in order to further their membership process. Copenhagen criteria consists of three elements. First, there are political criteria that consist of democracy, rule of law, human rights, and minority rights. Second, there is economic criterion that consists of having a functioning market economy. Third criterion is the ability to implement EU *acquis communautaire*. (The European Council, Copenhagen, 21-22 June 1993)

L0 1

Analyze different categorizations of regional organizations

There are different types of categorizations of regional organizations. First of all, they can be classified according to their aims. Some of the organizations focus on single issue area. Some of them have far reaching multiple aims spanning different issue areas. The latter group can have more general objectives. With regard to their basic aims, some of them can be political organizations. They can seek to cooperate in political and foreign policy issues. The other type of regional organization is economic organizations. They are established by the nation states with the aim of cooperation in economic issues. The third type of regional organizations can be security organizations. States would come together to protect themselves either from the perceived regional or outside enemies. Another classification of regional organizations could be according to their bureaucratic structures. Some regional organizations do have hard bureaucratic structures. They have established written rules, and they act according to those rules. However, there are also regional organizations that have flexible structures, and they might prefer not to have too many written rules and principles.

L0 2

Examine the internal and external factors leading to regional cooperation or regional integration

According to Ernst Haas, one of the greatest founders of the neofunctionalist theory of European integration, democracy is one of the key words to be able to explain the differentiation in the spectrum of cooperation versus integration. There must be a pluralist social structure for integration to emerge and to flourish. Therefore, we cannot expect authoritarian states to initiate or take part in regional integration efforts, because of their concern that any kind of pooling or delegation of their authority might undermine their authority at home. The second driving factor of regionalism could be economic development. If a country has a developed economic system and highly industrialized economic structure, this would result in the emergence of demands from different socio-economic groups. These demands would push the government toward regional organization. The third factor is ideology. If the ideological approaches are similar in different regional states, this might also lead to the foundation of regional integration. The existence of regional or global threats affect the type of regional organizations as well. If there is a threat affecting regional states, then they would consider to establish a security organization that would go beyond cooperation and aim to integrate. Another important factor affecting whether there would be cooperation or integration among states is the leadership. In the literature there are some theoretical approaches focusing on the individual level of analysis. Whether a single leader can change the course of history or not is open to contested explanations, but we can argue that throughout history there were some experiences showing us that leadership could play a fundamental role in the unfolding of history.

LO3

Differentiate among regional integration theories

The first theoretical approach to be examined is functionalism and neofunctionalism. According to the functional theory, the functional needs of individuals and states would lead to the establishment of international institutions. Functionalists argue that states should start cooperation from non-political fields, like economics or technology. Benefiting from the advantages of non-political cooperation they would get the habit of cooperating. Ernst Haas further worked on functionalism and came up with the theory of neofunctionalism. Neofunctionalists focused on the European integration process and tried to analyze it. Neofunctionalists, like functionalists, focus on spillover of cooperation or integration from non-political issues to political issues, but as different from the functional approach, they argue that the spillover from technical to political issues does not have to be an automatic process. The other approach toward the European integration is liberal intergovernmentalism. Liberal intergovernmentalism takes its inspiration from rationalist theories that focus on state interests and rational choice assumption. It argues that states should be considered as the main actors in global and regional politics. Through their negotiations, institutions can be established. States try to maximize their interests by establishing regional organizations. As a middle way theory between positivist and post-positivist approaches, constructivism benefits from the epistemology of positivism and ontology of post-positivism. Constructivism argues that international organizations are important global actors like states, business communities and NGO's. Based on their belief systems, values and norms, states would establish international institutions. If they have appropriate identities, states can cooperate or even integrate with each other through regional/international organizations. Since constructivists believe that identities can be constructed and reconstructed, they also put an emphasis on the role of organizations in that process of identity reformulations. Perceiving international organizations as important players like states, they focus on the interaction between states and organizations. Once a state becomes a member to an international organization, its identity can change through its membership. A process of learning can be possible in the functioning of the organization. In sum, according to the constructivist theory, regional/international organizations have the potential to make a change in the identity of the state.

LO 4

Shed light on the concepts of diffusion, emulation and learning among regional organizations



Diffusion can be defined as the impact of an organization on other organizations. It can be through various actors and instruments. In order to be able to talk about diffusion, first of all, there must be a stimulus, an organization to be taken as a model. Second, there must be an issue or a problem. The actors involved would like to learn from the policies of the organization that they consider to be the stimulus. “What is to be diffused” is an important question when organizations try to learn from each other. According to Risse, there might be three objects of diffusion. First, the notion of regionalism can be taken as a model. Second, the institutional structure of an organization can be inspiring for other organizations. Third, norms, rules, principles, decision-making procedures of an organization can be adopted to other organizations. “Traveled governance” has become an important concept in the literature because governance structures of certain regions can have a substantial impact on others. There are five mechanisms of diffusion among regional organizations. First of all, there is the possibility of physical coercion or threat of coercion. EU does not use it in its relations with third states, but, internally, we can argue that there is a legal coercion, because member states are obliged to accept and implement EU legislation. Second mechanism is giving incentives to other actors to accept the diffusion. The incentives could be provided through conditionality or giving technical or financial assistance. Third, socialization can be another way of transferring norms and institutions. The fourth way of diffusion is persuasion. The relevant party can be persuaded to accept the norms. Fifth, there is the possibility of emulation. If an actor is not happy with the status quo, it can look at the best practices available and try to implement or adapt them. In the case of the diffusion of the EU model, all mechanisms are possible. There are many examples of how the diffusion process would occur among regional organizations. For example, ASEAN was very much inspired from the EU example especially after the end of the Cold War. The New ASEAN Charter established three communities: Political-Security Community, Economic Community, and Socio-Cultural Community. This structure has many similarities with 3-pillar European Union created by the Treaty of Maastricht. There are also many examples of the diffusion of the EU model. Organization of Africa Unity changed its name as African Union in 1999. Andean Pact became Andean Community in 1997.

1 Which of the following **is not** one of the characteristics of second wave of regionalism?

- a. It led to establishment of new regional organizations.
- b. Many of the existing organizations changed their names.
- c. Many of the existing organizations changed their structures.
- d. Liberalism affected the foundation of new regional organizations.
- e. It started in the post-Second World War period.

2 Which of the following organizations was established as response to the economic integration of the EU?

- a. ASEAN
- b. NAFTA
- c. United Nations
- d. Council of Europe
- e. NATO

3 According to the new regionalism approach, which of the following **is not** true?

- a. Regions are not fixed entities.
- b. Regions can be constructed by actors.
- c. Business communities, NGO's etc. can play a role in the foundation of regions.
- d. States play the biggest role in the establishment of regions.
- e. Economic relations can be important in regional ties.

4 What is the meaning of concept of delegation?

- a. to be represented by delegates in international organizations.
- b. to decide by majority voting.
- c. to transfer decision-making power to an international organization.
- d. to cooperate in multi-purpose organizations.
- e. the decision of delegates to establish a regional organization.

5 Which of the following type of states **would not** prefer integration?

- a. autocratic states
- b. states aiming to upgrade their common interests
- c. states aiming for economic development
- d. states having similar ideologies
- e. democratic states

6 Why are leaders of autocratic states basically interested in joining regional organizations?

- a. to have influence in the global system
- b. to have photo opportunities and create legitimacy for their authoritarian regimes.
- c. to create supranational organizations
- d. to carry out reforms
- e. to democratize the state

7 Which of the following is the basic difference between functionalism and neofunctionalism?

- a. The importance of the decision makers
- b. Spillover affect
- c. Economic cooperation
- d. Political cooperation
- e. Security cooperation

8 Which one of the following is the basic argument of intergovernmentalism?

- a. Organizational identities should be analyzed.
- b. Cooperation is expected to spread from technical issues to political issues.
- c. International organizations are more important than regional organizations.
- d. Values and norms are basic in analyzing integratio policies.
- e. Domestic interests of states are important in explaining integration.

9 Which of the following **cannot** be true according to constructivism?

- a. International organizations are important actors.
- b. There is an interaction between states and regional organizations.
- c. Identities of states and regional organizations should be taken into consideration.
- d. Material power is more important than ideational power.
- e. New norms can emerge in regional organizations.

10 Which of the following organizations can be considered as the most successful one in diffusing its model to other organizations?

- a. African Union
- b. APEC
- c. ECOWAS
- d. ASEAN
- e. EU

- 1. e If your answer is incorrect, review the section on 'Different Categorizations of Regional Organizations'.
- 2. b If your answer is incorrect, review the section on 'Different Categorizations of Regional Organizations'.
- 3. d If your answer is incorrect, review the section on 'Different Categorizations of Regional Organizations'.
- 4. c If your answer is incorrect, review the section on 'Reasons for Cooperation and Integration'.
- 5. a If your answer is incorrect, review the section on 'Reasons for Cooperation and Integration'.
- 6. b If your answer is incorrect, review the section on 'Reasons for Cooperation and Integration'.
- 7. a If your answer is incorrect, review the section on 'Explaining Integration: Theoretical Approaches'.
- 8. e If your answer is incorrect, review the section on 'Explaining Integration: Theoretical Approaches'.
- 9. d If your answer is incorrect, review the section on 'Explaining Integration: Theoretical Approaches'.
- 10. e If your answer is incorrect, review the section on 'Diffusion, Learning and Democracy Promotion'.

Analyze the importance of threat perception for the establishment of regional organizations.

your turn 1

The existence or perceptions of threats can be an important factor for regional organizations. If there is an actor within or outside the region, that threatens or is perceived to threaten regional states, it might be an important reason bringing states together under the umbrella of a regional organization. The perceived socialist threat became the major factor for the formation of NATO. The perceived German threat was important for the formation of both NATO and the EU because it was believed that German nationalism could only be weakened by engaging with Germany. In addition, the Iranian Revolution in 1979 and the Iran-Iraq war between 1989-1988 became the major reasons for the initiation of the Gulf Cooperation Council since the Gulf countries were alarmed by these events.

Is there any relationship between political regime type and regional integration? Explain and discuss.

your turn 2

According to Ernst Haas, one of the greatest founders of the neofunctionalist theory of European integration, democracy is one of the key words to be able to explain the differentiation in the spectrum of cooperation versus integration. There must be a pluralist social structure for integration to emerge and to flourish. Pluralism allows internal actors to have influence over the decisions of the government. Hence, it allows the sharing of power in the internal context as well.

Is there any relationship between political regime type and regional integration? Explain and discuss.

your turn 2

Therefore, we cannot expect authoritarian states to initiate or take part in regional integration efforts, because of their concern that any kind of pooling or delegation of their authority might undermine their authority at home. Because of that, even if authoritarian states establish or join regional organizations, they only would like to cooperate. In fact, in the literature it is argued that even authoritarian states want to join the organizations in order to create legitimacy for their illiberal regimes in the global system and to take part in family photos in order to increase their soft power. Through these “photo opportunities”, these leaders try to give the image to their domestic constituencies that “rulers are adopting best practices.” Therefore, the function of some of the regional organizations as the legitimacy providers for authoritarian regimes should not be underestimated. This is called as the regime-boosting impact of the regional organizations.

Compare and contrast intergovernmentalist and constructivist approaches.

your turn 3

Liberal intergovernmentalism argues that states should be considered as the main actors in global and regional politics. Through their negotiations, institutions can be established. States try to maximize their interests by establishing regional organizations. Liberal intergovernmentalism argues that states’ decision to work together is based on three stages. First of all, states need to decide about their national interests. After that, they should enter into bargaining with other actors in order to decide about the framework of agreement to be signed. At the third stage, international organization would be established in order to be able to realize their objectives. However, “member states are ‘masters of the treaty’ and continue to enjoy pre-eminent decision-making power and political legitimacy.” (Moravcsik and Schimmelfenning, “Liberal Intergovernmentalism”, 2009, p. 68) Liberal intergovernmentalism believes in the possibility of supranationalism. It argues that states might prefer to delegate part of their authority to international organizations. On the other hand, as a middle way theory between positivist and post-positivist approaches, constructivism benefits from the epistemology of positivism and ontology of post-positivism. In addition, according to constructivism, not only material factors, but also ideational factors are important in international politics. Constructivists do not deny the importance of material power, like military and economic power, but they also emphasize the importance of norms, rules, principles and values.

Constructivism argues that international organizations are important global actors like states, business communities, and NGO’s. Based on their belief systems, values and norms, states would establish international institutions. If they have appropriate identities, states can cooperate or even integrate with each other through regional/international organizations. European Union, The Council of Europe, Mercosur, ASEAN are examples of how states can cooperate effectively through organizations.

Can we talk about rivalry among regional organizations? Why? Discuss.

your turn 4

Some regional organizations can be perceived as rivals by some states because of economic, political or security reasons, and this might push them to establish new institutions together with their allies. A good example could be the foundation of the Eurasian Economic Union (EEU) by the Russian Federation, Belarus and Kazakhstan in 2014 when the crisis in Ukraine was still going on. From the perspective of the Russian President Vladimir Putin, EEU was perceived as an alternative to the EU. When you look at the official website of the EEU, its terminology is very much similar to the EU like “regional economic integration”, “free movement of goods, services, capital and labor”, “coordinated, harmonized and single policy in the sectors”. (<http://www.eaeunion.org/?lang=en#about-info>) EEU is just one example how the model of one organization can affect other organizations.

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Chapter 5

Samples of Regional Cooperations

After completing this chapter, you will be able to:

Learning Outcomes

1 Define the Organization of American States and the Union of the South American nations as an American regional cooperation

2 Learn the history of African Regionalism and describe the organs and mechanism of Organization of African Unity and its successor African Union

3 Learn the aims and structure of the Shanghai Cooperation Organization aims and structure

4 Define NATO and explain its changing strategies

Chapter Outline

Multi-purpose Organizations

Union of South American States (UNASUR)

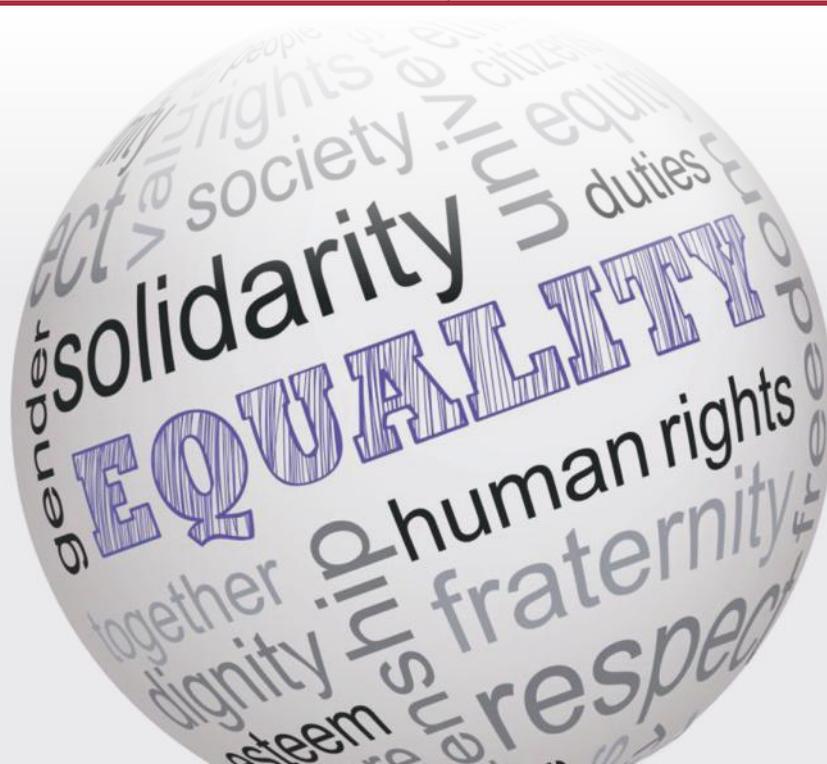
Organization of African Unity (OAU) - African Union (AU)

Security Organizations

North Atlantic Treaty Organization (NATO)

Key Terms

- Regional Cooperation
- Organization of American States
- Pan-Americanism
- South American Cooperation
- Union of South American Nations
- Pan-Africanism
- African Union
- Organization of African Unity
- Regional Security
- North Atlantic Treaty Organization
- Strategic Concept
- Shanghai Cooperation Organization
- Shanghai Spirit
- Three Evils
- Energy Club



INTRODUCTION

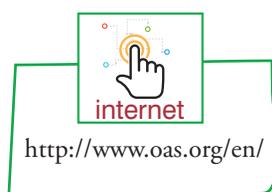
Generally, regional cooperations develop between neighboring countries that have geographical and historical ties. Economic, political and military close cooperation can also provide solidarity against the outside world and a more effectiveness in international politics. In this chapter, multipurpose regional organizations and regional security organizations are considered examples of The Organization of American States, The Union of South American Nations, The African Union, Shanghai Cooperation Organization and North Atlantic Treaty Organization. Organizations will be discussed in the context of history and institutional structures. In addition, these organizations will be studied within the scope of their aims and purposes.

MULTI-PURPOSE ORGANIZATIONS

The Organization of American States (OAS)



Figure 5.1



History of the Organization

The Organization of American States (OAS) is the oldest and largest inter-state, regional organization in the world. The OAS has emerged as a result of a series of inter-state American conferences which started in the 1820s that established the Pan-American Union in 1910. The first international conference among American states was the Panama Conference, which was organized by Simon Bolivar's efforts in 1826. Bolivar proposed the idea of American Union. In his thought, the American states should unite their military powers for possible European colonialism. While Latin America countries, emphasizing the importance of equality between members of the organization to be created, US had a different approach to shaping the hemisphere. In the congress message of US President James Monroe in 1823, the outline of the US foreign policy towards the region also became clear. Under the policy known as the Monroe Doctrine, American nations that had just gained their independence should stay away from European intervention. The US would undertake a protection mission in the whole Americas. In addition, the US would consider European initiatives of the region as a hostile attitude towards itself. In this context, the basis of the OAS was laid by the US as a dominant power within the hemisphere. Especially during the Presidency of Theodore Roosevelt, the western hemisphere was declared to influence area of the United States. The United States used military and financial power over its neighbors and also aimed to improve relations on an institutional common ground by the mediation of OAS (Bloom, 2008: 29).

At the First American States Conference, from October 1889 to January 1890 in Washington D.C., convened under the auspices of the United States, it was decided to establish the American Union. It was planned on establishing an institutionalized network among the American States (OAS, 2018a). Thus, the institution of an arbitration mechanism for the dispute settlement between members, the establishment of a communication channel to prevent probable problems, and the development of mutual trade between the parties was also targeted (OAS, 2018b). Eighteen American states taking part in the meeting signed the treaty for the establishment of the American States Union mechanism. Then, in 1910, it was transformed into the Pan-American Union.

American States were represented in Pan-American Union until 1948. From its foundation to WWII, the Union organized many conferences about international law, copyrights and trademark registration, credits used by foreigners, unfair commercial practices, cultural issues and social problems. The main purpose of the conferences was to establish permanent agencies and institutions among the American states. Firstly, Pan American Sanitary Organization was founded. The influence of the Monroe Doctrine continued until the 1930s on US' Latin America policies. During his presidency, Franklin D. Roosevelt initiated the "Good Neighbor Policy" for Latin America. The "1933 Montevideo Convention on the Rights and Duties of State" was signed as an effect of this policy. The main purpose of the agreement was to ensure trust among American states (UIO, 2018). So, they agreed that the peaceful means of conflict resolution. When it came to In 1938 American States concluded many agreements for peace and security.

Good Neighbor Policy

United States no longer wanted to send its military forces to fight or its battleships to threaten governments in order to keep its influence on Latin Americans. Instead, the United States tried humanitarian programs in education, health, and agriculture; cultural exchanges between citizens and students; and it rewarded local politicians who followed U.S. advice. Besides US military trained Latin American armies.

Establishment of the OAS

After the end of the Second World War, representatives of 20 American states came together in Chapultepec, Mexico, to determine the future of inter-state relations of American Republics.

The main topic of the talks was the protection of peace and security in the region, the development of the cooperation in the hemisphere and the economic aid of the United States. Latin America states wanted the continuation of US economic aid. In this context, negotiations continued, and the parties signed an Inter-American Treaty of Reciprocal Assistance (Rio Treaty) in 1947. According to the treaty, the parties agree that when

there is an armed attack against one or more of them the other signatory states immediately initiate an intervention for peacekeeping. This treaty was, in fact, a side of the intended partnership.

The main goal of the Latin American states and the US was to strengthen the multilateral agreements they had signed up to now and to institutionalize them under the roof of an organization.

A year after the Rio talks, the states that came together in Bogota took up to nearly 50 decisions on the issues of women's rights, democracy, human rights, the status of the colonies and economic co-operation, and the Organization of American States was established.



Figure 5.2 Main Building

Source: http://www.oas.org/OASpage/Photos/photo_institutional/_0000035.jpg

Structure and Objectives of OAS

On April 30, 1948, the OAS Charter was signed by 21 American states and entered into force on December 1951.

The primary objective of the organization is stated in Article 1 of the Charter:

"The American States establish by this Charter the international organization that they have developed to achieve an order of peace and justice, to promote their solidarity, to strengthen their collaboration, and to defend their sovereignty, their territorial integrity, and their independence. Within the United Nations, the Organization of American States is a regional agency."

In the second article of the Charter explains the aims of the organization:

- To strengthen the peace and security of the continent.
- To promote and consolidate representative democracy, with due respect for the principle of non-intervention.
- To prevent possible causes of difficulties and to ensure the pacific settlement of disputes that may arise among the member states.
- To provide for common action on the part of those states in the event of aggression.
- To seek the solution of political, judicial, and economic problems that may arise among them.
- To promote, by cooperative action, their economic, social, and cultural development.
- To eradicate extreme poverty, which constitutes an obstacle to the full democratic development of the peoples of the hemisphere.
- To achieve an effective limitation of conventional weapons that will make it possible to devote the largest amount of resources to the economic and social development of the member states.

OAS is designed to get into the act in the large scope. Inter alia, OAS holds in four main pillars: a) democracy, b) development, c) human rights, and d) security.

The Organs of OAS

OAS has many organs. The most important are: General Assembly, Advisory Board, Permanent Council, Inter-American Council for Integral Development, Legal Committee, Human Rights Commission and General Secretariat.

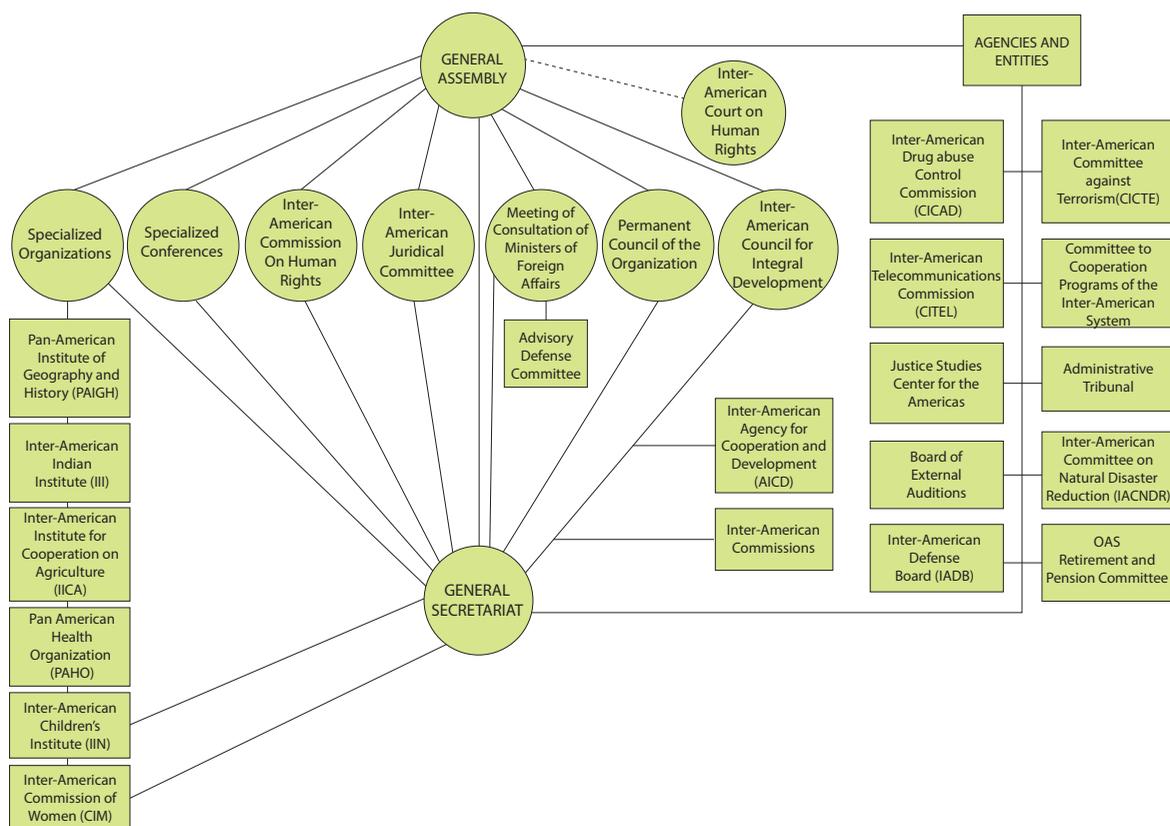


Figure 5.3 Organization of American States

Source: <http://www.oas.org/legal/english/organigramaOEAeng.pdf>

The General Assembly

The General Assembly is the supreme organ of the OAS. Each member state is represented in the General Assembly. General Assembly is the democratic body of the OAS. It convenes annually to debate current issues, approve the organization's budget, and determine policies to govern the other OAS organs and units. Its functions are stated in the OAS Charter's IX. section (article 54). Hereunder;

- a. To decide the general action and policy of the Organization, determine the structure and functions of its organs, and consider any matter relating to friendly relations among the American States;
- b. To establish measures for coordinating the activities of the organs, agencies, and entities of the Organization among themselves, and such activities with those of the other institutions of the interAmerican system;
- c. To strengthen and coordinate cooperation with the United Nations and its specialized agencies;
- d. To promote collaboration, especially in the economic, social, and cultural fields, with other international organizations whose purposes are similar to those of the Organization of American States;
- e. To approve the program-budget of the Organization and determine the quotas of the Member States;
- f. To consider the reports of the Meeting of Consultation of Ministers of Foreign Affairs and the observations and recommendations presented by the Permanent Council with regard to the reports that should be presented by the other organs and entities, in accordance with the provisions of Article 91.f, as well as the reports of any organ which may be required by the General Assembly itself;
- g. To adopt general standards to govern the operations of the General Secretariat; and
- h. To adopt its own rules of procedure and, by a two-thirds vote, its agenda.
- i. The General Assembly shall exercise its powers in accordance with the provisions of the Charter and of other inter-American treaties.

Although it is the highest organ, the General Assembly's authority is not unlimited. The article

54 (i) define its limitations. The General Assembly is composed of 34 member countries' delegations. Each member state has one vote. Normally, decisions are taken by the absolute majority vote. However, the three-to-two majority of the member states are required for budgeting and agenda-setting issues.



Figure 5.4 48th OAS General Assembly Concludes, June 5, 2018,

Source: http://www.oas.org/en/media_center/photonews.asp?sCodigo=FNE-94315



Figure 5.5 Hall of the Americas

Source: http://www.oas.org/OASpage/Photos/photo_institutional/MNBSAmericas.jpg

The Meeting of Consultation of Ministers of Foreign Affairs

This organ has two main functions. Firstly, in accordance with the Charter, this organ is to act as a consultation unit. This is a more specific function. The Meeting of Consultation can be assembled to examine measures in case of an armed attack, aggression other than an armed

attack, conflict outside or inside the Hemisphere, or “any other fact or situation that might threaten the peace of America.” The other function is more general: to consider problems of an urgent nature and of common interest to the American States (Berenson, 2001:14).

The daily administration of the OAS is carried out by the Permanent Council at the OAS headquarters in Washington D.C. Although the Permanent Council is directly affiliated to the General Assembly, it works closely with the General Secretariat. All member States are the members of the Permanent Council. According to OAS Charter, the functions of the Permanent Council is (OAS, 2018c):

- To keep vigilance over the maintenance of friendly relations among the member states and, for that purpose, to effectively assist them in the peaceful settlement of their disputes,
- To observe General Secretariat’s operations when General Assembly is not in charge.
- To act as the Preparatory Committee of the General Assembly.
- To receive reports from the different organs and units of the organization and to submit suggestions to the General Assembly.
- To take the essential diplomatic initiatives for human rights and present to the General Assembly any observations and recommendations it deems necessary

General Secretariat and Secretary General

The General Secretariat is the permanent administrative and bureaucratic organ of the OAS. It is directed by the Secretary-General. The General Secretariat is responsible for implementing the policies set by the General Assembly and the Permanent Council. Secretary-General heads General Secretariat for five years. Secretary-General may not be succeeded by a person of the same nationality. The General Secretariat is responsible to promote political, cultural and economic relations between states and to emphasize co-operation to fight against poverty.

The General Secretariat shall also perform the following functions (OAS, 2018d):

- a. Transmit ex officio to the Member States notice of the convocation of the General Assembly, the Meeting of Consultation of Ministers of Foreign Affairs, the Inter-American Council for Integral Development, and the Specialized Conferences;
- b. Advise the other organs, when appropriate, in the preparation of agenda and rules of procedure;
- c. Prepare the proposed program-budget of the Organization on the basis of programs adopted by the Councils, agencies, and entities whose expenses should be included in the program-budget and, after consultation with the Councils or their permanent committees, submit it to the Preparatory Committee of the General Assembly and then to the Assembly itself;
- d. Provide, on a permanent basis, adequate secretariat services for the General Assembly and the other organs, and carry out their directives and assignments. To the extent of its ability, provide services for the other meetings of the Organization;
- e. Serve as custodian of the documents and archives of the inter-American Conferences, the General Assembly, the Meetings of Consultation of Ministers of Foreign Affairs, the Councils, and the Specialized Conferences;
- f. Serve as a depository of inter-American treaties and agreements, as well as of the instruments of ratification thereof;
- g. Submit to the General Assembly at each regular session an annual report on the activities of the Organization and its financial condition; and
- h. Establish relations of cooperation, in accordance with decisions reached by the General Assembly or the Councils, with the Specialized Organizations as well as other national and international organizations.

Table 5.1 List of Secretary Generals

Name	Country	Period
Alberto Lleras Camargo	Colombia	1948–1954
Carlos Dávila	Chile	1954 – 19 October 1955
José A. Mora	Uruguay	1956–1968
Galo Plaza	Ecuador	1968–1975
Alejandro Orfila	Argentina	1975–1984
João Clemente Baena Soares	Brazil	1984–1994
César Gaviria	Colombia	1994–2004
Miguel Ángel Rodríguez	Costa Rica	15 September 2004 – 15 October 2004
Luigi R. Einaudi	United States	15 October 2004 – 26 May 2005
José Miguel Insulza	Chile	26 May 2005 – 26 May 2015
Luis Almagro	Uruguay	26 May 2015 - present

OAS and Regional Issues

The OAS deals with democracy, economic and humanitarian development, human rights and security issues. General Assembly accepted “Strategic Vision of the OAS,” in 2014, which reiterates that the four core pillars of the organization’s mission are;

- strengthening democracy;
- promoting and protecting human rights;
- advancing integral development; and
- empowering and encouraging multidimensional security (OAS, 2014)

The most noteworthy interests of the OAS are undoubtedly human rights and multidimensional security.

Human Rights

Inter-American human rights system, consisting of the Inter-American Commission on Human Rights (IACHR) and the Inter-American Court of Human Rights, is the most effective part of the OAS. IACHR and the Inter-American Court are autonomous instruments. Their mission is to promote and protect human rights in the American hemisphere.

With the end of WWII, the OAS and the United Nations prepared international legal texts for the implementation of human rights with universal claims. Signatory countries were obliged to provide the rights in these texts to anyone living on their territory. In this way, Bogota Document was signed in 1948.

Then, there was a tendency to amend the 1948 declaration among the states, and The American Convention on Human Rights was prepared and adopted on November 22, 1969. Most of the Central and South American states ratified the convention. But, the US and Canada have not yet.

The American Human Rights Commission, created with the Convention, is an autonomous body of the OAS and is one of the two branches of the American system of the human rights protection system.

The Commission’s basic functions are examining complaints about human rights violations in any contracting state, preparing and publishing human rights reports on members, and ensuring that the ratification of the convention by the signatory states. Additionally, it also has the responsibilities of being in court, advising on the interpretation of agreements, recommending amendments to the convention and treaties, and provoking OAS to impose sanctions on its members.

Over time, the Commission is structured as an OAS body. The Inter-American Court of Human Rights Statue (Article 1) stated that the court is an autonomous judicial unit with judicial power and administrative functions.

The purpose of the Court is to interpret and to implement the Convention.

According to the contract, the Court has the power to examine adversarial proceedings, to give advice and to make interim injunction. But, for the implementation of court decisions, the inter-American system does not provide an observer (supervisory) body.

Although the decisions of the courts are binding on the parties (Article 68) barely it is not as effective as it is in European system for the implementation of decisions. States abide by the decision as the result of persistent requests of the court.

Multi-Dimensional Security

OAS is designed as a collective security system in American hemisphere. Through the Multidimensional Security Secretariat, OAS aimed to develop regional policies and strategies against situations that would put safety at risk and to strengthen co-operation in security affairs. The Hemispheric Security Committee is affiliated with the Permanent Council.

The Committee is responsible for establishing and enforcing the OAS' regional security strategies and policies. Especially after the Cold War, OAS has begun to deal with security issues in a wide scope. OAS' security diary consists of:

- Demining
- Disarmament
- Drugs
- Multidimensional Security
- Public Security
- Cyber Security
- Terrorism

The basis of OAS security and strategies is the "Declaration on Security in the Americas" on October 28, 2003. "Hemispheric Security" is defined by the document. According to the Declaration, the members agree to comply with the OAS and the UN Charter to ensure security and peace.

This new security system has been called "multi-dimensional" and possessing a "flexible architecture." The multi-dimensionality resides in the broadening of the traditional concept of regional security, linked to defense and the security of States, starting from the incorporation of new threats, concerns, and challenges. The flexibility of the architecture is related to the diversity of mechanisms which the States can use to respond to these threats (Chillier; Freeman, 2005:7).

Democratization Issues

OAS has played an important role in encouraging democracy since the many American countries transformed civil governments at the end of the cold war. In 1991, the General Assembly's Resolution 1080 emphasized that "one of the basic purposes of the OAS is to promote and consolidate representative democracy, with due respect for the principle of non-intervention." (OAS, 1991). In 1992 OAS amended the Charter to make the suspension of the states whose democratic governments are overthrown by force conceivable. Then, member states approved Inter-American Democratic Charter (IADC) on September 11, 2001. With this charter, OAS members declared that "American states have a 'right to democracy' and an 'obligation to promote and defend' it." In this context, the monitoring and support of elections, the provision of technical and institutional support for good governance; thus, the development of democracy are the main objectives for OAS.

Observation of elections has been one of the most important activities of the OAS. Since 1962, OAS has conducted 246 election observation missions in 27 countries. The activities of the OAS are not limited to these. In addition, some OAS member countries have demanded specific political missions from the OAS to support sensitive governance issues. For instance, the OAS mission in Colombia, which has helped the peace process, administers advisory services for deactivation, demobilization, and reintegration of illegal armed groups.

OAS has been less successful than mobilizing collective efforts to defend democracy. In many cases, the General Secretariat and other operational bodies of the OAS have pointed out the threats to democratic governance, but the member states were unable to act.

The Inter American Defence College (IADC) is an international educational institution operating as an element of the OAS through the Inter-American Defense Board. It provides a professionally oriented, multidisciplinary, graduate-level course of study.

Internet: <http://www.colegio-id.org/>



Figure 5.6 The Inter-American Defence College (IADC), located on Fort Lesley J. McNair, was formally opened on 9 October 1962 when the Honorable Dean Rusk, then Secretary of State of the United States, presented the building and furnishings donated by the United States Government.

Source: <http://www.colegio-id.org/our-history.html>

Table 5.2 Democratic crises before and after the Inter American Defence College

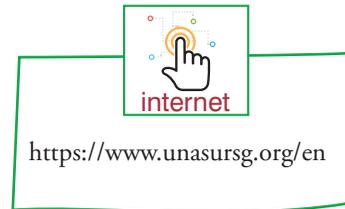
	Coup	Self-Coup	Election Failure	Constitutional Crisis
Resolution 1080 (1991)	<ul style="list-style-type: none"> • Suriname 1990–91 • Haiti 1991–94 • Venezuela 1992 • Paraguay 1996 • Paraguay 2000 • Ecuador 2000 • Venezuela 2002 • Ecuador 2005 	<ul style="list-style-type: none"> • Peru 1992 • Guatemala 1993 	<ul style="list-style-type: none"> • Dominican Republic 1994 • Haiti 1995 • Peru 2000 • Haiti 2001 • Trinidad and Tobago 2001 • Venezuela 2004 • Nicaragua 2008 • Haiti 2010–11 	<ul style="list-style-type: none"> • Ecuador 1997 • Venezuela 1999 • Argentina 2001–02 • Trinidad and Tobago 2001 • Haiti 2001–04 • Bolivia 2003–05 • Ecuador 2004–05 • Nicaragua 2005 • Bolivia 2006–07 • Ecuador 2007 • Paraguay 2009
IADC (2001)	<ul style="list-style-type: none"> • Honduras 2009 • Paraguay 2012* (parliamentary coup) 			

Source: Olivari, 2014:11

Critics of OAS

The biggest criticism about OAS is that the organization is seen as a defender of the US' interests. Especially, it has remained the silent US military interventions in Latin America. For example Bay of Pigs invasion in 1961; occupation of Dominican Republic during the civil war in 1965, Grenada (1983) and Panama (1989) interventions and in line with US interests, despite being a founding member, OAS effectively suspended Cuban membership from 1962 to 2009. After the Cold War, the US influence on the organization currently continues.

The US domination in the Secretary-General elections and the OAS' attitudes to the Haitian elections can also be considered in this perspective. Finally, US-Venezuela problems reflected on the OAS and Venezuelan government the Venezuelan government decided to resile from the organization. The withdrawal process will take two years in total. The OAS Secretary-General had repeatedly criticized the Venezuelan government for failing to comply with democratic norms. The Venezuelan government accused the organization of interference in the internal affairs of the country. In conclusion, from the viewpoint of Latin America States, the United States "always wins" in the OAS.



History of the Organization

The Union of South American Nations was established on 8 December 2004 with the Cusco Declaration (Peru) signed by Argentina, Bolivia, Brazil, Ecuador, Guyana, Colombia, Paraguay, Peru, Surinam, Chile, Uruguay and Venezuela in order to develop regional integration efforts in South America under a single roof. Among the priority targets of the Organization are the establishment of a political and diplomatic solidarity and cooperation mechanism between the countries involved in the establishment of the South American integration area, the merging of the regional trade blocs MERCOSUR and the Andean Community, the creation of a free trade zone across the continent with the participation of Chile, the development of comprehensive partnership policies and the harmonization of policies, and energy cooperation and technology transfer. In the 2007 South American Energy Summit, held on Margarita Island of Venezuela, the Heads of State agreed that the integration process, which was already under the name of South American Community of Nations, would change into the Union of South American Nations, UNASUR. The UNASUR Constitutive Treaty was signed on 23 May 2008 in Brazil and entered into force on 11 March 2011 (Borda, 2014: 2).


your turn 1

Discuss why and how the United States of America influences the Organization of American States?

UNION OF SOUTH AMERICAN NATIONS (UNASUR)



Figure 5.7

Main Purposes of the Organization

UNSAUR, a multi-purpose organization, aims to improve the integration process about cultural, social, economic and political spheres among its members. It aims to remove regional socio-economic inequalities and poverty, strengthen regional democracies and increase civil society participation in governance processes through common policies in the areas of political dialogue, social projects, education, energy, infrastructure, finance, and environment. Additionally, the organization characterizes itself as a modular regionalism. (SELA, 2015: 5-8)

In modular regionalism, states pick and choose membership of regional integration projects reflecting their national interests and foreign policy priorities in specific areas.

The Organs of UNASUR

The organization is composed of the Council of Heads of State and Government, the president pro tempore, the Council of Ministers of Foreign Affairs, the Council of Delegates, the General Secretariat, and twelve sectoral councils (UNASUR, 2018a).

The Council of Heads of State and Government

The Council of Heads of State and Government is the supreme body of UNASUR. It sets up the main policies, action plans, programs and projects for the South American integration process. The Heads of State and Government meet once a year. President Pro tempore and member states may be required to arrange extraordinary meetings or sessions.

The Council of Ministers of Foreign Affairs

The Council of Foreign Ministers is the second body of UNASUR and meets regularly every six months. It is responsible to implement decisions taken by the Council of State and Government Heads to promote political dialogue and cooperate regional integration process.

The Council of Delegates

The Council of Delegates is the third body of UNASUR and consists of one representative from each Member State. It meets every two months. It applies the decisions taken by the Heads of State and Government and Ministers of Foreign Affairs and prepare draft decisions, resolutions and regulations for consideration by the Council of Ministers of Foreign Affairs.

It harmonize and coordinates the initiatives of UNASUR with other regional integrations. It establishes, coordinates and monitors the Working Groups.

President Pro Tempore

The temporary presidency is the head position and representant of the UNASUR. President pro tempore is governed by a year and rotated among the member countries between each UNASUR meeting.

Main functions of President pro tempore are (UNASUR, 2018b):

- To organize and preside the meetings of UNASUR's bodies,
- To Represent UNASUR in international events,
- To undertake commitments and sign declarations with third parties after having obtained the previous consent of the appropriate bodies of UNASUR.
- To direct ministerial councils of the UNASUR

The General Secretariat

The General Secretariat is the core organ of the organization's bureaucracy. It is headed by Secretary General. The general secretary can not be elected twice in a row from the same nationality. The Secretary-General is the legal representative of UNASUR and does not ask or receive instructions from any government or agency outside the organization (UNASUR, 2018c).

Table 5.3 List of Secretary Generals

No	Secretary General	Country	The mandate period
1	Néstor Kirchner	Argentina	4 May 2010 - 27 October 2010
—	Interim		
2	María Emma Mejía Vélez	Colombia	9 May 2011- 11 June 2012
3	Alí Rodríguez Araque	Venezuela	11 June 2012 - 31 July 2014
4	Ernesto Samper	Colombia	1 August 2014 - 31 January 2017
—	Vacant; No successor approved		

After Ernesto Samper completed his term in January 2017, UNASUR members have been unable to reach consensus on a successor.

Councils of UNASUR

UNASUR is trying to realize its aims through eleven councils established in different fields.

South American Defense Council (CDS)

The South American Defense Council (CDS) is a mechanism that seeks to foster exchanges in the field of security between the countries that make up the Union of South American Nations, such as the development of joint defense policies, the exchange of personnel between Armed forces in each country, joint military exercises, participation in United Nations peace operations, exchange of analyzes on global defense scenarios and integration of industrial bases of war materials, confidence-building measures, coordinated aid in areas natural disasters, among others. UNASUR is positioning itself as a regional security organization for promoting democracy. UNASUR constitutive treaty points out its security dimension:

“Coordination among specialized bodies of the Member States, taking into account international norms, in order to strengthen the fight against terrorism, corruption, the global drug problem, human trafficking in persons, trafficking in small and light weapons, transnational organized crime and other threats, as well as for disarmament, the non-proliferation of nuclear weapons and weapons of mass destruction, and demining.”

The Council has an executive body, made of the region’s vice-ministers of defense. Its resolutions are adopted by consensus. The Defense Council is not a conventional military alliance like NATO, but it requires a certain regional military coordination. The CDS was formed based on the principles of “non-intervention, sovereignty, and territoriality (Diamint; Manaut, 2015: 225).

South American Council on Health of UNASUR (CSS)

The main objective of CSS is to encourage and to coordinate UNASUR’s common policies in the field of health between the member states.

Electoral Council of UNASUR (CEU)

The primary aim of the Council is to develop citizen participation, civic education, democratization, and electoral systems in UNASUR. It shall also form observatory committees to support the electoral processes as requested by any member states.

South American Energy Council of UNASUR (CES)

CES is responsible for the cooperation and complementation among the Member States in matters of energy in the region.

South American Science, Technology and Innovation Council of UNASUR (COSUCTI)

COSUCTI's main objective is to promote and to strengthen cooperation in the fields of science, technology, and innovation.

South American Council of Culture of UNASUR (CSC)

CSC is established to promote and to strengthen cultural cooperation in the region to accept and encourage culture as a precondition of development for overcome poverty and inequality

South American Council of Social Development of UNASUR (CSDS)

The main aim of CSDS is strengthening regional social development goals and building of the South American Social Observatory.

South American Economy and Finance Council of UNASUR (CSEF)

The basic objective of The Council is to remove poverty and to overcome inequalities in the region through justice, social and human development.

South American Education Council of UNASUR (CSE)

CSE is established to ensure and to promote the right to education for everyone by strengthening regional educational integration.

South American Council of Infrastructure and Planning Of UNASUR (COSIPLAN)

COSIPLAN is formed to implement regional infrastructure integration and to conclude the building of network, transport and

telecommunication infrastructure according to sustainable social and economic development criteria.

World Drug Problem Council (CSPMD)

CSPMD's main objective is to build anti-drug system in regional and sub-regional levels.

South American Council on Safety, Justice, and Coordination of Action Against Transnational Organized Crime (DOT)

The main goal of the DOT is to ensure the safety of its citizens. In this context, it is aimed to combat international crime organizations by strengthening the coordination of justice mechanisms and national actions.

Main Issues of UNASUR

As a multi-purpose organization, UNASUR interests many issues and problems in South-America region. Security, Economy and Finance and Energy are the most important topics.

Conflict Mediation

Although UNASUR is not a collective security organization, one of its main objectives is to try to prevent and overcome crises that may arise between the member countries, and to solve regional disputes and conflicts. For example, UNASUR mediated initiatives to resolve the Bolivian political crisis (2008) and the tension between Venezuela and Colombia (2010).

With this policy, UNASUR is trying to become a forum for problem-solving in the region instead of OAS (dos Santos, 2015: 7-8).

Security Cooperation

UNASUR aims to develop a cooperative security understanding among member states. In this context, it is aimed to provide member countries' defense policies, military cooperation, humanitarian action and peacekeeping operations, defense industry and technology, securing of natural

resources and cooperation with the drug struggle. UNASUR's security cooperation is based on respect for sovereignty and non-intervention; and therefore, it cannot participate in UN peacekeeping missions (Nolte; Wehner: 2012: 3-7).

South America to the South Americans

Occasionally, the great powers manipulate and exploit decision making processes of international organizations. After OAS experience, South American countries view UNASUR as a ground to provide autonomy for the "internal affairs" of the region and to create a counterbalance against the US. Thus, the organization utterly could be for South Americans (Nolte; Wehner: 2012: 7).

Economic Policies

Economic integration efforts in South America date back the 19th century. In August 2011, UNASUR took an important step towards economic integration with the establishment of the South American Economy and Finance Council (UNASUR, 2018d).

In this context UNASUR aims;

- a. Social and human development with equity and inclusion to eradicate poverty and overcome the inequalities of the region.
- b. The construction of an economic system with equity, social justice and in harmony with nature for sustainable development.
- c. Growth and economic development that overcomes asymmetries through concrete and effective mechanisms of complementation economic.
- d. Financial integration through the adoption of mechanisms compatible with the economic and fiscal policies of the Member States
- e. Economic and commercial cooperation to be equitable and balanced, achieve progress and consolidation of an innovative, dynamic, transparent process,

- f. Sectoral cooperation as a mechanism for deepening the South American integration, through the exchange of information, experiences, and training.

One of the initiatives of UNASUR is the creation of a common market, starting with the elimination of tariffs for products considered non-sensitive until 2014 and for sensitive products until 2019. Accordingly, The Banco del Sur /Bank of the South was established in 2009 for monetary policy and finance development projects. One of the main objectives of monetary policy is to establish a single South American currency. On the other hand, the South American Energy Ring is expected to interconnect Argentina, Brazil, Chile, Paraguay, and Uruguay with natural gas from various sources, such as the Camisea gas project in Peru and the Tarija gas deposits in Bolivia. Although this proposal has been signed and ratified, political and economic difficulties in Argentina and Bolivia have delayed this initiative, and to this day, this agreement remains more a protocol than a current project since Chile and Brazil are already building LNG terminals for gas from external suppliers.



Figure 5.8



your turn 2

Please discuss the role of the South American Defense Council in terms of South American integration.

ORGANIZATION OF AFRICAN UNITY (OAU) - AFRICAN UNION (AU)



Figure 5.9

The African Union is an international intergovernmental organization that unites 55 African states and it is the successor of the Organization of African Unity.

History of the Organization

The African Union (AU) (formerly the African Union Organization OAU) is the first institutionalized structure of African continental cooperation. The “union thought” in Africa emerged at the end of the 19th century. It was shaped by the idea of Pan-Africanism that aims to provide support and encouragement among peoples of Africa (Murithi, 2005: 11). It was shaped on:

- a. Racial Pan-Africanism (1900-1945)
- b. Continental Pan-Africanism (1945-1960)
- c. Ideological Pan-Africanism (1960- today)

In the early of 1960s, efforts increased for creating cooperation between African countries. Consequently, at the African Leaders’ Conference in Addis Ababa, capital of Ethiopia, in 1963, the Organization of African Unity (OAU) was formed with the agreement signed by 30 independent states except for Rhodesia and the Republic of South Africa. According to the “Charter of the African Union Organization”, AU was not a designed as a political union but was established as a regional international organization within the UN system (SAHO, 2018). The underlying logic of this statement was newly independent African states’ reluctance to cede some parts of sovereignty to international organizations.

Purposes and Structure of the OAU

In the second article of the OAU Charter, the aims of the organization are (AU, 2018a:3-4):

- a. To promote the unity and solidarity of the African States;
- b. To coordinate and intensify their cooperation and efforts to achieve a better life for the peoples of Africa;
- c. To defend their sovereignty, their territorial integrity, and independence;
- d. To eradicate all forms of colonialism from Africa; and
- e. To promote international cooperation, having due regard to the Charter of the United Nations and the Universal Declaration of Human Rights.

In the third article of the OAU Charter, the principles of organization are listed:

1. The sovereign equality of all Member States.
2. Non-interference in the internal affairs of States.
3. Respect for the sovereignty and territorial integrity of each State and for its inalienable right to independent existence.
4. Peaceful settlement of disputes by negotiation, mediation, conciliation or arbitration.
5. Unreserved condemnation, in all its forms, of political assassination as well as of subversive activities on the part of neighboring States or any other States.
6. Absolute dedication to the total emancipation of the African territories which are still dependent.
7. Affirmation of a policy of non-alignment with regard to all blocs.

Although “unity in Africa” is counted as a goal, it is unclear whether the coalition that is expected to take place in the future will be federal or functional. The OAU was based on a voluntary cooperation. The organization had no organs and bodies authorized with sanction power and binding decision, furthermore, any sanction mechanism envisaged.



Figure 5.10 Nairobi, Kenya – May 8, 2018: The AUC through its Department of Rural Economy and Agriculture is holding a workshop to share experiences on successful agribusiness Public Private Partnerships (PPP) to catalyse investments in agribusiness development on the continent.

Source: <https://au.int/en/pressreleases/20180508/public-private-partnerships-pertinent-transforming-agriculture-says-african>

Establishment of the African Union

The OAU emerged as the organization of regionalization in Africa during the decolonization period but, from the 1970s the transformation of OAU was discussed due to international economic and political developments. At the beginning of the 1990s, economic integration politics remained on the agenda in the whole Africa caused the OAU receded into the background. Libyan leader Muammar Gaddafi made a maiden effort on the transformation of OAU. As a result of these initiatives, the Sirte (Libya) Declaration on 9 September 1999 emphasized that OAU was then “unity”. Also, it was stated that the ways and means of making OAU more effective should be discussed for being able to cope with the political and economic developments in the world. Therefore, as soon as possible, an extraordinary summit should be held. In 2000 the Lome Summit (Togo) The Constitutive Act of the African Union was adopted and at the Lusaka (Zambia) Summit in 2001, a roadmap was accepted for put the AU into effect. The Heads of State and Government of 53 African countries attended the Durban Summit in 2002 and the African Union was formed by merging the African Union Organization and the African

Economic Community. The African Union deals with many issues, has many purposes and is the general organization of the African continent (AU, 2018b).

Purposes and Structure of the African Union

Article 3 of the Constitutive Act lists the main purposes of the AU:

- a. To achieve greater unity and solidarity between the African countries and the peoples of Africa;
- b. To defend the sovereignty, territorial integrity, and independence of its Member States;
- c. To accelerate the political and socio-economic integration of the continent;
- d. To promote and defend African common positions on issues of interest to the continent and its peoples;
- e. To encourage international cooperation, taking due account of the Charter of the United Nations and the Universal Declaration of Human Rights;
- f. To promote peace, security, and stability on the continent;
- g. To promote democratic principles and institutions, popular participation and good governance;
- h. To promote and protect human and peoples’ rights in accordance with the African Charter on Human and Peoples’ Rights and other relevant human rights instruments;
- i. To establish the necessary conditions which enable the continent to play its rightful role in the global economy and in international negotiations;
- j. To promote sustainable development at the economic, social and cultural levels as well as the integration of African economies;
- k. To promote co-operation in all fields of human activity to raise living standards of African peoples;
- l. To coordinate and harmonize the policies between the existing and future Regional Economic Communities for the gradual attainment of the objectives of the Union;

- m. To advance the development of the continent by promoting research in all fields in particular in science and technology
- n. To work with relevant international partners in the eradication of preventable diseases and the promotion of good health on the continent (AU;.2018c:4-5)

Differently from the OAU Charter (1963), in the fourth article of the Constitutive Act, organizational principles become more comprehensive and detailed:

- Sovereign equality and interdependence among the Member States of the Union.
- Respect for borders existing on achievement of independence.
- Participation of the African Peoples in the activities of the Union.
- Non-interference by any Member State in the internal affairs of another Member State.
- Prohibition of the use or threat to use force among Member States of the Union.
- The right of the Union to intervene in a Member State pursuant to a decision of the Assembly in respect of grave circumstances, namely, war crimes, genocide, and crimes against humanity.
- The right of Member States to request intervention from the Union in order to restore peace and security.
- Promotion of gender equality.
- Respect for democratic principles, human rights, the rule of law and good governance.
- Promotion of social justice to ensure balanced economic development.
- Condemnation and rejection of unconstitutional changes of government.

The Organs of AU

The structure of the AU differs greatly from the OAU. Only Heads of State and Government Council is preserved. AU is a completely new

structure and organization. In the text of the Constitutive Act, the AU's basic organs are as follows (Article 5):

The Assembly of the Union

Assembly is chaired by the Heads of State and Government or their representatives and it is supreme organ of the AU. The Assembly shall convene its ordinary meeting as prescribed at least once a year.

The chairperson of the assembly is elected by the member states for one-year. The election system based on consultation. The Assembly takes its decisions by consensus or by majority vote, with the approval of two thirds of its members.

According to the Constitutive Act, the authorities of the Assembly are as follows (AU, 2018c: 8):

- Establishing a common policy of the Union;
- To make decisions about the reports and recommendations given by other organs of the Union
- To evaluate an application for accession to AU
- To establish the organs of Union
- To implement and establish control of the decisions and policies of the Union at the members level
- To accept the budget of AU
- To direct the Executive Council for conflict management, war situations and peacebuilding
- To assign or to dismiss of the judge for Court of Justice
- To appoint the Chairperson, Vice-Chairperson, Commissioners and to determinate of their duties and responsibilities.
- Besides, the Assembly may delegate any of its powers and functions to any organ of the Union.

Table 5.4 The list of the Chairperson of the AU

#	Chairperson	The mandate period	Country
1	Thabo Mbeki	9 July 2002 - 10 July 2003	South Africa
2	Joaquim Chissano	10 July 2003 - 6 July 2004	Mozambique
3	Olusegun Obasanjo	6 July 2004 - 24 January 2006	Nigeria
4	Denis Sassou Nguesso	24 January 2006 - 24 January 2007	Republic of Congo
5	John Kufuor	30 January 2007 - 31 January 2008	Ghana
6	Jakaya Kikwete	31 January 2008 - 2 February 2009	Tanzania
7	Muammar Gaddafi	2 February 2009 - 31 January 2010	Libya
8	Bingu wa Mutharika	31 January 2010 - 31 January 2011	Malawi
9	Teodoro Obiang Nguema Mbasogo	31 January 2011 - 29 January 2012	Equatorial Guinea
10	Yayi Boni	29 January 2012 - 27 January 2013	Benin
11	Hailemariam Desalegn	27 January 2013 - 30 January 2014	Ethiopia
12	Mohamed Ould Abdel Aziz	30 January 2014 - 30 January 2015	Mauritania
13	Robert Mugabe	30 January 2015 - 30 January 2016	Zimbabwe
14	Idriss Déby	30 January 2016 - 30 January 2017	Chad
15	Alpha Condé	30 January 2017 - 28 January 2018	Guinea
16	Paul Kagame	28 January 2018 - Incumbent	Rwanda

Executive Council

The Executive Council consists of the foreign ministers of the member countries or the ministers/officials assigned by the member country. It meets at least twice a year. The Executive Council is responsible to the Assembly (AU, 2018c: 10).

The responsibilities and the jurisdictions of the Executive Council are stated in article 13 of the Constitutive Act:

- Foreign trade
- Energy, industry and underground resources
- Nutrition, agriculture, animal husbandry and forestry;
- Water resources and irrigation,
- Transportation and communication,
- Education, culture, health and human resources,
- Insurance,

- Science and technology,
- Citizenship, housing for foreign nationals, refugee problems,
- Preparation of joint action plan for social policies and protection of women, children, and disabled persons,

Pan-African Parliament

Pan-African Parliament was established for the purpose of economic development of the African peoples and the economic integration of the continent. It is the consultative assembly of the African Union, a continental organization of 53 African countries. Its headquarters is tentatively located at the Johannesburg, South Africa. Each of the 53 member countries of the Union sends five deputies elected or appointed by the national parliaments. The main national political parties or movements must be represented in this delegation, with at least one woman (AU, 2018d).



Figure 5.11

The Court of Justice

The Court of Justice is an institution that is in a position to ensure the smooth processing and good governance of human rights in Africa. It was constituted with the unification of the African Court of Justice and the African Court of Human Rights.

The functions of the Court of Justice are addressed with four titles (AU, 2018c: 14):

- To undertake studies and research on human and human rights in Africa and to bring related materials together,
- To establish regulations and rules aimed at resolving legal problems related to human rights,
- To ensure the protection of human rights,
- To interpret all provisions in the official texts of the Union as needed.

The Commission

The Commission is the secretariat of the African Union. The Commission is consisted of the president or vice-presidents, commissioners, and advisers. The African Economic Community has previously served as Secretariat within the Union. (AU, 2018c: 14). Its role is to represent the Union and protect its interests under the auspices of the Conference (the Assembly of Heads of State and Government) and the Executive Council. The mission of the Commission is to be a driving force for African integration and the continent's development process in collaboration with the Member States of the Union, Regional Economic Communities, and African citizens.

The Permanent Representatives' Committee (PRC)

The PRC is responsible for the preparation of the agenda of the Executive Council and for informing about the relevant issues. The PRC has the right to establish subcommittees or working groups if needed.

The Specialized Technical Committees (STC)

The specialized technical committees are bodies in the AU responsible to the Executive Council (article 14). Each STC is composed of ministers of the Member States and senior officials for the relevant area. In its February 2009 decision, the Assembly restructured the STCs into the following committees (AU, 2018c: 12):

1. Agriculture, rural development, water, and environment
2. Finance, monetary affairs, economic planning, and integration
3. Trade, industry, and minerals
4. Transport, infrastructure, energy, and tourism
5. Gender and women empowerment
6. Justice and legal affairs
7. Social development, labor and employment
8. Public service, local government, urban development and decentralization
9. Health, population and drug control
10. Migration, refugees and internally displaced persons (IDPs)
11. Youth, culture, and sports
12. Education, science, and technology

13. Communication and information communications technology (ICT)

14. Defense, safety, and security.

If necessary, existing committees can be regulated and new committees can be established.

The Economic, Social and Cultural Council (ECOSOCC)

The ECOSOCC functions as an advisory body of the Union. The council consists of representatives from member countries, who are experts in various fields. Its realm of authority and organizational structure are determined by the Assembly (AU, 2018e).



ECOSOCC mandates

- Contributing, through advice, to the effective translation of the AU's objectives, principles, and policies into concrete programmers, as well as evaluating those programmes,
- Undertaking studies and making recommendations,
- Contributing to the promotion and realization of the AU's vision and objectives,
- Contributing to the promotion of human rights, the rule of law, good governance, democratic principles, gender equality and child rights,
- Promoting and supporting the efforts of institutions engaged in reviewing the future of Africa and forging pan-African values in order to enhance an African social model and way of life,
- Fostering and consolidating partnership between the AU and NGOs,
- Assuming functions referred to it by other AU organs.

ECOSOCC is the highest decision-making and policy-making body is the General Assembly

composed of all members in accordance with article 4 of the ECOSOCC Statute. The General Assembly submits proposals and reports on budgets and activities, as well as consultations; approves and changes the codes of conduct and ethics developed for NGOs affiliated with or working with the AU and proposes about ECOSOCC's activities.

The Financial Institutions

The article 19 of the Constitutional Act of AU stated that there are three separate and specific financial institutions with their own internal statutes, namely the African Investment Bank (AIB), the African Central Bank (ACB) and the African Monetary Fund (AMF). The role of these institutions is to implement the economic integration provided for in the Treaty Establishing the African Economic Community (Abuja Treaty of 1991). The Sirte Declaration of 1999, in which the OAU decided to establish the African Union, advocates the rapid establishment of all the institutions proposed by the Abuja Treaty. The establishment of financial institutions is included in the flagship programs of Agenda 2063 (AU, 2018f).



Figure 5.12

The Peace and Security Council (PSC)

PSC was established as the main body of the AU for the prevention, management, and resolution of conflicts. It is a key element of the African Peace and Security Architecture (APSA), which is the umbrella term of the main AU mechanisms to promote peace, security, and stability in Africa.

The PSC's authority derives from article 20 of the Constitutive Act (as inserted by article 9 of the Protocol on Amendments to the Constitutive Act 2003) together with article 2 of the 2002 Protocol Relating to the Establishment of the Peace and Security Council of the African Union. Under articles 6-7 of the Protocol, the PSC's main functions include (AU, 2018f):

- Prevention of policies and disputes that could lead to genocide and crimes against humanity,
- Peace-making, peace-building and peace-support missions,
- Recommend intervention in a Member State in respect of grave circumstances, namely war crimes, genocide and crimes against humanity
- Implementation of the AU common defense policy
- Promotion of disarmament and arms control
- Fighting against international terrorism
- Examine and take action in situations where the national independence and sovereignty of a Member State is threatened the ones by acts of aggression, including by mercenaries
- Support and facilitate humanitarian action in situations of armed conflicts or major natural disasters.

The PSC has 15 members. All are elected by the AU Executive Council and endorsed by the Assembly at its next session. Members are elected according to the principle of equitable regional representation and national rotation. National rotation is agreed within the regional groups. Regional representation is usually: Three seats for Central Africa- Eastern Africa and Southern Africa; four seats for Western Africa and two seats for Northern Africa. Also, PSC has subsidiary bodies for:

- Committee of Experts
- Military Staff Committee
- Other committees (Not fully Operational)
 - Post-Conflict Reconstruction and Development (PCRD)
 - Sanctions
 - Counter-Terrorism
 - Resource Mobilization
 - Procedures and Mechanisms for Peace Support Operations

The AU and Regional Issues

Regional Security and Peace Keeping

Factors that directly affect the security of the continent are summarized as; border disputes and territorial conflicts, internal conflicts, ethnic

conflicts, civil wars and the remaining conflicts from colonialism, political and ideological disputes, and the many of the African states' desire to annex the territories of their neighbors for ethnic reasons. From the 1960s, wars took place in Africa, particularly in sub-Saharan Africa, in 24 countries. In addition, a military coup is a major problem for the continent. Between 1946 and 2004, there were 296 coups or coup attempts in 41 African countries. Since the OAU period, many peacekeeping operations have been carried out.

With the establishment of the AU, the protection of peace and security has been regarded as one of the main issues.

Peace and Security Council (PSC)

One of the objectives of the African Union is to “promote peace, security, and stability of the continent”. In this context, main principle is the “peaceful resolution of conflicts among the Member States of the Union through the appropriate means decided by the Assembly”. The first body to implement these goals and principles is the Peace and Security Council (PSC). The PSC has the power, inter alia, to authorize peace support missions, to impose sanctions in the event of unconstitutional changes of government, and to “take initiatives and actions deemed appropriate” in response to current or potential conflicts. The PSC is a decision-making body and its decisions are binding on the Member States.

Peacekeeping missions and operations have occurred in the AU period. “The African Standby Force (ASF)” has been established to protect peace and security. Article 4 (h) of the Constitutive Act and Protocol Relating to the Establishment of the Peace and Security Council of the African Union also recognizes the right of the Union to intervene in the Member States in war crimes, genocide, and crimes against humanity. Any decision to intervene in a Member State taken under Article 4 of the Constitution shall be made by the Conference upon the recommendation of the PSC.

Since its first meeting in 2004, the PSC has been active during the crises in Darfur, Comoros, Somalia, the Democratic Republic of the Congo, Burundi, Côte d'Ivoire and other countries. It adopted resolutions setting up the African Union peacekeeping operations in Somalia and Darfur

and imposing sanctions against those questioning peace and security (such as the ban on travel, the freezing of assets, etc.). The Council oversees the establishment of a “reserve force” to serve as a permanent African peacekeeping force (Alhassan, 2013:7-21).

Table 5.5 OAU Peacekeeping Missions

Country	Name	Time	Contributors	
			Troops	Observers
Chad	Neutral Force	1981-82	Nigeria, Senegal	Algeria, Guinea-Bissau, Kenya, Zambia
Rwanda	Military Observer Team	1990-91		Burkina Faso, Uganda, Zaire
	Neutral Military Observer Group -I	1991-92		Mali, Nigeria, Senegal, Zimbabwe
	Neutral Military Observer Group -II	1992-93	Tunisia	Cameroon, Rep. of Congo, Nigeria, Senegal, Tunisia
Burundi	Observer Mission in Burundi	1993-96		Burkina Faso, Cameroon, Guinea, Mali, Niger, Tunisia
Comoros	Observer Mission in Comoros	1997-99		Egypt, Niger, Senegal, Tunisia

Source: Moller, 2009: 7

Table 5.6 AU Peacekeeping Missions

Location	Acronym	Period	Contributors	
			Main	Others
Burundi	African Union Mission in Burundi (AMIB)	April 2003-June 2004	South Africa, Ethiopia, Mozambique,	Burkina Faso, Gabon, Mali, Togo, Tunisia
Sudan (Darfur)	African Union Mission in Sudan (AMIS)	June 2004-Dec. 2007	Nigeria, Rwanda, Egypt, South Africa, Senegal, Ghana, Gambia, Kenya	Mauritania, Niger, Mali, Burkina-Faso, Zambia, Lesotho, Uganda, Madagascar, Burundi, Cameroon, Mauritius,
	United Nations–African Union Mission in Darfur (UNAMID-in UN mandatory)	Jan 2008-present	Nigeria, Rwanda, Ethiopia, Egypt, South Africa, Senegal, Ghana, Gambia, Kenya	Bangladesh, China, Indonesia, Nepal, Pakistan and others
Somalia	African Union Mission to Somalia (AMISOM)	Jan. 2007-present	Uganda, Burundi (NATO supported)	None

The Constitutive Act gives the AU the right to intervene in a Member State in grave circumstances, namely war crimes, genocide and crimes against humanity. ASF was established as a multidimensional capabilities, including military, police and civilian, on standby in their countries of origin and ready for rapid deployment (African Union Peace and Security, 2018).

The main functions of the ASF are:

1. Observation and monitoring missions;
2. Other types of peace support operations;
3. Intervention in a member state in respect of grave circumstances or at the request of a member state to restore peace and security,
4. Preventive deployment in order to prevent
 - i. a dispute or a conflict from escalating,
 - ii. an ongoing violent conflict from spreading to neighboring areas or States,
 - iii. the resurgence of violence after parties to a conflict have reached an agreement.
5. Peacebuilding, including post-conflict disarmament and demobilization;
6. Humanitarian assistance to alleviate the suffering of the civil population in conflict areas and support efforts to address major natural disasters;
7. Any further functions as may be mandated by the PSC or the Assembly of Heads of State

Although the theoretical framework of AU's security policy is outlined very well, it can not be said to be very successful in practice.

Human Rights

The protection of human rights and the development of democratic institutions are the main objectives of the AU. Since the period of OAU, various mechanisms have been developed for the protection of human rights. The most important ones of these mechanisms are the African Charter on Human and Peoples' Rights, the African Commission on Human and Peoples' Rights (ACHPR) and the African Court of Human and Peoples' Rights.

The African Charter established the African Commission on Human and Peoples' Rights. The Commission was inaugurated on 2 November 1987 in Addis Ababa, Ethiopia (African Commission on Human and Peoples' Rights, 2018).

The main functions of Commission are; the protection and the promotion of human and peoples' rights and the interpretation of the African Charter on Human and Peoples' Rights.

States, groups and persons may apply to the Commission.

In order to file an application, the state must accede to Charter and claimant must exhaust domestic remedies.

The most important novelty that the African Union has brought about in the human rights protection system is the establishment of the "African Court of Human and Peoples' Rights".

The Court has jurisdiction over all cases and disputes concerning the interpretation and application of the "African Charter of Human Rights and Charter (Charter)", the Protocol and other relevant human rights instruments endorsed by the States concerned. In particular, it has two types of jurisdictions: contentious and advisory. The Court consists of eleven judges who are nationals of the AU member states. The Court delivered its first judgment in 2009. As of 30th August 2017, the Court had received 147 applications and finalized 32 cases. One of the most remarkable decisions of the Court was the ACHPR's appeal during the Libyan Civil War in 2011. The court discussed the situation in Libya and decided that the Gaddafi administration had to take interim measures that it had to comply within 15 days.

Economic Integration

The idea of economic integration for the development of the African continent had been on the agenda of African countries before the OAU. In OAU period, the idea of establishing a continental economic integration area in a whole Africa came into prominence. With the signing of the treaty establishing the African Economic Community (AEC) at the 27th Ordinary General Assembly Meeting of the Heads of State and Government of OAU in June 1991 (Abuja Treaty), the idea became concrete. The AEC's goals are to create commercial territories, customs unions, a common market and central bank, and a common currency. It is expected that the AEC will reach its targets by 6-stage plan until 2028 (www.dirco.za, 2018):

1. Creating new RECs and strengthening existing regional economic communities (REC) (by 1999)
2. Stabilizing barriers to regional trade (by 2007)
3. Establishing a free-trade area (FTA) and a customs union for each REC (by 2017)
4. Coordinating tariff and non-tariff systems among RECs (by 2019)
5. Establishing an African Common Market and common policies among RECs (by 2023)
6. Establishing an African Central Bank, creating a continental monetary union and electing the first Pan-African Parliament (by 2028)

The AEC's main technical policy-making body is the Economic and Social Council.

It is also aimed to deepen the economic integration with the establishment of the AU. However, due to legal gaps, overlapped areas of organizations, overlapping memberships of different economic integration organizations, financial difficulties, political instabilities and internal and external conflicts, an economic integration on the AU basis is unlikely to take place in the near future.



Figure 5.13

Critics of African Union

AU's the most important problem seems to be democratization. The organization is also referred to as the dictator's club. The fact that Robert Mugabe was the president of the AU in 2016 reduced the international reputation of the organization. Besides, another problem in the organization is the economic and political problems of the members and the conflicts between them. Due to these reasons, AU is not a successful economic or political integration.



your turn 3

Compare the Organization of African Unity and the African Union for regional cooperation.

SECURITY ORGANIZATIONS

Shanghai Cooperation Organization (SCO)



Figure 5.14

History and Background of the SCO

The tension between Moscow and Beijing, which started at the beginning of the 1960s, softened in the mid-1980s. In 1991, the Sino-Russian rapprochement continued after the dissolution of the Soviet Union. After the PRC resolved territorial disputes with neighboring CIS states (Russia, Kazakhstan, Kyrgyzstan, and Tajikistan), it became possible to further develop regional cooperation. Another reason for Sino-Russian convergence is economic interests, and balancing the US was also the cornerstone of post-1990 Chinese and Russian relations. Russia perceived threat because of the NATO's expansions to Eastern Europe, while China was disturbed by the bust of the US on human rights and its trade with Taiwan. Developing relations between China and Russia were transformed into constructive partnership in April 1994 and strategic partnership in April 1996. On the other hand, for Central Asian Republics, balancing of Moscow and Beijing was important (Çolakoğlu, 2004: 174). Inter alia, in 1996 the "Shanghai Five" was formed by Russia, China, Kazakhstan, Kyrgyzstan, and Tajikistan. The subsequent annual summits of the participants of the "Shanghai Five" were held in Moscow in 1997, Alma-Ata (Kazakhstan) in 1998, in Bishkek (Kyrgyzstan) in 1999 and in Dushanbe (Tajikistan) in 2000. By the time of the Bishkek summit, the establishment of permanent cooperation mechanisms had begun and a new international organization started to take shape. National coordinators appointed by each country.

In 2001, Uzbekistan joined the organization in Shanghai meeting. In 2002, the Shanghai Cooperation Organization Charter was signed at the SCO summit in St. Petersburg. The document entered into force on September 19, 2003. This is a constitutional document that stipulates the organization's purposes and principles, organizational structure, and its main activities. (Akihiro, 2004: 259-266; SCO, 2018a). The official language of SCO is Russian and Chinese.



Figure 5.15

Source: <https://www.istockphoto.com/tr/fotoğraf/sco-concept-3d-rendering-gm619729278-108132391>

Table 5.7 Membership of SCO

Member States	Observer States	Dialogue Partners
China		Armenia
Kazakhstan	Afghanistan	Azerbaijan
Kyrgyzstan	Belarus	Cambodia
Russia	Moldova	Nepal
Tajikistan	Iran	Sri Lanka
Uzbekistan	Mongolia	Turkey
India		
Pakistan		

Objectives of the SCO

According to Article 1 of the SCO Charter, the objectives of the organization are (SCO, 2018b):

- To strengthen mutual confidence, friendship and good-neighborliness between the Member States;
- The development of multidisciplinary cooperation in order to maintain and strengthen peace, security, and stability in the region, to help build a new democratic, just and rational political and economic international order;
- To joint counteraction to terrorism, separatism and extremism in all their manifestations, combating illicit trafficking in drugs and weapons, other types of transnational criminal activity, and illegal migration;
- To encourage effective regional cooperation in politics, trade, economy, defense, law enforcement, environmental, cultural, scientific, technical, and educational fields, energy, transport, credit and finance and other areas of common interest;
- To promote comprehensive and balanced economic growth, social and cultural development in the region through joint action on the basis of an equal partnership in order to steadily raise the level and improve the living conditions of the peoples of the Member States;
- To coordinate approaches to integration into the world economy;
- Assistance in ensuring human rights and fundamental freedoms in accordance with the international obligations of the Member States and their national legislation;

- Maintenance and development of relations with other states and international organizations;
- To cooperate in the prevention of international conflicts and their peaceful settlement;
- A joint search for solutions to the problems that will arise in the 21st century.

The Shanghai Spirit is the core value of the Shanghai Cooperation Organization (SCO) — has played a significant role in safeguarding regional security and promoting regional development. The Shanghai spirit is based on mutual trust, mutual benefit, equality, mutual consultations, and respect for cultural diversity and aspiration for common development.



Figure 5.16 First Youth Conference "SCO Model-2018", 2018 / 06 / 02

Source: http://eng.sectsc.org/for_media/20180602/439889_437736.html

Table 5.8 Key Agreements of the SCO

- 2001 Shanghai Convention on Combating Terrorism, Separatism, and Extremism
- 2002 Agreement on the Regional Anti-Terrorist Structure (RATS)
- 2004 Agreement on Cooperation in Combating Illicit Trafficking of Narcotic Drugs, Psychotropic Substances, and Precursors
- 2005 Agreement on Cooperation in Providing Assistance in Emergency Situations
- 2006 Agreement on Cooperation in Identifying and Blocking the Channels of Penetration on the Territory of the SCO Member States of Individuals Involved in Terrorist, Separatist and Extremist Activities
- 2008 Agreement on Cooperation in the Fight against Illicit Trafficking of Weapons, Ammunition, and Explosives
- 2009 Agreement on Cooperation in International Information Security
- 2009 Convention on Counter-Terrorism
- 2010 Agreement on Cooperation in the Fight against Crime
- 2014 Agreement on Facilitation of International Road Transport

Source: EPRS, 2015:7

Organs of the SCO

SCO has many organs in order to fulfill the goals and objectives of the Charter (SCO, 2018c):

The Council of Heads of State (CHS)

CHS is the supreme body of the SCO. It determines the priorities and main directions of the SCO's activities, solves the fundamental issues of its internal structure and functioning, interaction with other states and international organizations, and also considers the most pressing international problems. The Council meets at a regular session once a year. The chairman of the meeting is carried out by the head of the state - the organizer of the next meeting. The venue of the meeting is determined, as a rule, according to the alphabetical order (Russian) of the list of SCO member states. The Council can also decide on the establishment of other SCO bodies, which is formalized in the form of additional protocols to the Charter.

The Council of Heads of Government (CST)

CST adopts the SCO budget, which is formed on the basis of the principle of equity participation, considers and solves key issues related to specific, especially economic, areas of development of interaction within the Organization. CST meets at a regular session once a year. The head of the government of the state in whose territory the meeting is held presides at the meeting of the Council.

The Council of Foreign Ministers (CFM)

CFM considers and resolves the issues of the daily activities of the SCO, including the preparations for the CHS meetings, institutes actions to implement decisions of the Organization and holds consultations within the SCO on international issues. The Chairman of the Council is chaired by the Minister for Foreign Affairs in whose territory regular meeting of the Heads of

State Council takes place. The Chairman of the Council is chaired by the Minister for Foreign Affairs in whose territory regular meeting of the Heads of State Council takes place. The Chairman of the Council of Foreign Ministers represents the Organization in its external relations in accordance with the regulations on the working order of the Council.

Meetings of Heads of Ministries and/or Agencies

Heads of Ministers hold regular meetings to study specific issues in the development of related fields within the framework of the Organization. The meetings are chaired by the head of a respective ministry and/or agency of the state organizing the meeting.

The Secretariat

The Secretariat is a permanent administrative body of the SCO and is based in Beijing. It is entrusted with an organizational and technical support for activities that are conducted within the framework of the SCO, participation in the development and implementation of documents of all bodies, preparation of proposals for the annual budget. The Secretariat is headed by the Secretary-General. The Secretary-General is appointed by the CHS on the recommendation of CFM. The Secretary-General is elected by the citizens of each member country according to their names in the Russian alphabet. Their term of office is three years and they cannot be re-elected. The Secretariat coordinates the Organization's cooperation with observer countries and dialogue partners in accordance with the SCO treaty and regulatory documents, liaises with other countries and international organizations on issues concerning the activities of the Organization, with the agreement of Member States, and concludes relevant documents on the above-mentioned objectives. The Secretariat may also cooperate SCO activities with non-governmental organizations in accordance with treaties and regulatory documents.



Figure 5.17 SCO Secretary-General held a meeting with representatives of the leading Chinese media

Source: http://eng.sectSCO.org/for_media/20180603/439992_437966.html

Table 5.9 The list of the Secretary Generals of the SCO

No	Secretary General	Country	The Mandate Period
1	Zhang Deguang, (Executive Secretary)	China	2005-2006
2	Bolat Nurgaliev,	Kazakhstan	2007-2009
3	Muratbek Imanaliev,	Kyrgyzstan	2010-2012
4	Dmitry Fedorovich Mezentsev,	Russia	2013-2015
5	Rashid Alimov	Tajikistan	2016-

The Council of National Coordinators (CNC)

CNC coordinates and manages the daily activities of the Organization, conducts the necessary preparation of the sessions of the CHS, CST, and CFM. The CNC meets at least three times a year. The chairman of the Council of People's Commissars is exercised by the national coordinator of the member state of the Organization, in whose territory the next meeting of the CHS will be held. The Chairman of the CNC may, on behalf of the Chairman of the CFM, represent the Organization in the conduct of external contacts.

The Regional Anti-Terrorist Structure (RATS)

RATS is a permanent SCO body headquartered in Tashkent, Uzbekistan. It designed to facilitate the coordination and interaction of the competent bodies of the member states in the fight against terrorism, extremism, and separatism. In 2009, the Heads of State signed the SCO Convention against Terrorism which further sought to clarify the issue of terrorism by defining the concept of terror and of a terrorist act.

Table 5.10

Terror:	an ideology of violence, and the practice of exerting influence on the decision-making of governments or international organizations by threatening or committing violent and (or) other criminal acts, connected with intimidating the population and aimed at causing injury to private individuals, society or the state.
Terrorism:	any act connected with intimidating the population, endangering human life and well-being, and intended to cause significant property damage, ecological disaster or other grave consequences in order to achieve political, religious, ideological or other ends by exerting influence on the decision-making of governments or international organizations, or the threat of committing such acts.

Source: Grieger, 2015: 7

The main tasks of this body are to coordinate the efforts of all SCO member states to fight against terrorism, separatism and extremism, to develop anti-terrorism proposals, to collect and analyze information, and to establish a database on individuals and organizations that supports organized crimes and terrorism. RATS is responsible for preparation and holding of scientific conferences and workshops, assistance in sharing experience in the field of fighting terrorism, separatism and extremism. The Chairman of the RATS is appointed by the Council of Heads of State upon the recommendation of the RATS Council for a period of three years.

The SCO Interbank Consortium (IBO)

IBO was established during a meeting of the Council of Heads of Government (CHS) in 2005 as a tool to assist in the implementation of economic cooperation projects approved by the SCO states. The members of the IBA included the Development Bank of Kazakhstan, the State Development Bank of China, Vnesheconombank, the National Bank of Tajikistan and the National Bank for Foreign Economic Affairs of Uzbekistan (SCO China, 2017).

The priorities of the IBO are:

- To focus on infrastructure construction, basic industries, high-tech industries, economic export-oriented industries, and social project financing;
- To provide and obtain loans under common international banking practices;
- To promote pre-export financing and trade ties between the member countries of the Shanghai Cooperation Organization;

- To sign exchange of potential customers and cooperation project information within the framework of the agreement, according to the necessary confidentiality provisions;
- To organize staff training, delegation exchanges and delegation exchanges and internships, and business seminars;
- To the other directions are in the common interest.

Decisions in the SCO bodies are made by consensus. The working order of all bodies was developed and adopted in 2003, at the Moscow summit. The basic structures of the organization began to work in January 2004, after which the association has functioned as a full-fledged international organization

Main Purposes of the SCO

Security Cooperation

The activities of the SCO initially lay in the sphere of mutual intra-regional actions to curb terrorist acts, as well as separatism and extremism in Central Asia. One of the first documents signed by the participants of the SCO summit in Shanghai (2001) was the Shanghai Convention on Combating Terrorism, Separatism, and Extremism, which for the first time at the international level enshrined the definition of separatism and extremism as violent, criminal acts (Alimov, 2017).

Since then, the contracting parties have prioritized the settlement of internal conflicts, reaching a consensus in countering extremism and the drug mafia, as evidenced first by the creation

of the Regional Antiterrorist Structure, and then by the sign of the Treaty on Long-term Good-Neighborliness, Friendship and Cooperation.

On May 23, 2002, in Astana (Kazakhstan), SCO member states signed the “Decision on the Draft Agreement between the Shanghai Cooperation Organization member states on the Regional Antiterrorist Structure”. On June 7 of the same year, in St. Petersburg, at the meeting of the heads of state of the Shanghai Cooperation Organization, an agreement on the Regional Antiterrorist Structure was signed.

The main tasks and functions of the Executive Committee of the SCO RATS are defined in three priority areas:

- a. Coordination and interaction of the participating countries in the fight against terrorism, extremism, and conducting anti-terrorist exercises, etc.;

- b. International legal direction (participation in the preparation of international documents on combating terrorism, including within the UN, assistance to the UN Security Council, etc.);
- c. Information and analytical direction (formation and replenishment of the RATS data bank, collection and analysis of information on combating terrorism, etc.)

Despite its task and duties, the SCO is never defined as a military alliance. Treaty of Good-Neighborliness and Friendly Cooperation was signed at the Bishkek summit on 16 August 2007. It was for strengthening good neighborly relations between the attendant countries.

On 21 April 2006, the SCO announced its plans to fight the international drug mafia, which forms the financial leg of the global terrorism. The attendant countries have jointly conducted several antiterrorist exercises since the foundation of the organization.

Table 5.11 Military Activities of SCO (HRC, 2018: 330-336; Haas, 2016: 381-386)

Name and Date of Joint Exercise	State Participants	Stated Objectives
Exercise-01 2002	China and Kyrgyzstan (Kazakhstan, Russia, Tajikistan, Uzbekistan observed)	In this exercise, an operation was made against possible incursions by international terrorists onto the territory of either Kyrgyzstan or China.”
Coalition 2003	China, Kazakhstan, Kyrgyzstan, Russia, and Tajikistan	To fight terrorism, separatism and extremism.
Peace Mission 2005	China and Russia	To protect stability in the region
Vostok- Antiterror / East- Antiterror Exercise 2006	China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Uzbekistan	To prevent terrorist groups from damaging state infrastructure, as well as joint actions to rescue hostages.
Tianshan-I 2006	China, Kazakhstan	To enhance security cooperation among SCO member states, and improving coordination between law enforcement bodies and special forces.
Coordination 2006	China, Tajikistan	“This exercise abroad would test [Chinese] troops’ capabilities of long-range projections
Peace Mission 2007	China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan, and Uzbekistan	Exercise scenario described as: “under the support of an international terrorist organization based in the north border of the country, a terrorist organization of country launched an anti-government movement. At the headquarters of the joint drill, commanders from the six SCO members decide to annihilate the terrorists.

Cooperation- 2007	China, Russia	Joint task mission
Volgograd Anti-terror 2008 Exercises	Kazakhstan, Russia, Tajikistan, and Uzbekistan	Members of anti- terrorist units from Kazakhstan, Russia, Tajikistan, and Uzbekistan
Norak Anti- Terror 200930	China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan	To increase vocational and battle training and to exchange experience and battle training, exchange of experience and practical skills for anti-terrorist operations “
Peace Mission 2009	China, Russia	security threats and crack down on terrorist, separatist and extremist forces
2010 Law Enforcement Exercises	Kazakhstan, Kyrgyzstan, Russia (India, Mongolia, and Pakistan, observed)	To prevent acts of terrorism in crowded places.”
Peace Mission 2010	China, Kazakhstan, Kyrgyzstan, Russia, Tajikistan	To test the interoperability of the SCO armed forces against mass terrorist attack.
Tianshan-2-2011	China, Kyrgyzstan Tajikistan	Counterterrorist exercises; With a coordinating role of the RATS SCO, anti-terrorist units
East-Antiterror-2012	Uzbekistan, Kyrgyzstan, Kazakhstan	Anti-terrorist exercises
Peace Mission-2012	Russia, China, Kyrgyzstan, Kazakhstan, Tajikistan	A multilateral antiterrorist military drill.
Kazygurt-Antiterror-2013	Kyrgyzstan, Kazakhstan, Tajikistan	Antiterrorist drills
Peace Mission-2013	Russia- China	Anti-terrorist exercises
Peace Mission-2014	Russia, China, Kyrgyzstan, Kazakhstan, Tajikistan	Allegedly the largest SCO drills so far.
Exercise-2014	Russia, China, Kyrgyzstan, Kazakhstan, Tajikistan	Anti-terrorist exercises
CentrAsia-Antiterror-2015	Russia, China, Kyrgyzstan, Kazakhstan, Tajikistan, Uzbekistan	Joint command-staff antiterrorist exercises

The SCO Energy Club

Energy is certainly one of the most important and promising areas of SCO. However, there are quite objective obstacles to energy and wider economic integration within the SCO framework. Among these:

- The lack of a coordinated general economic strategy of the SCO, primarily as a consequence of differences in the economic interests of the participating countries (in most cases, China, on the one hand, and the post-Soviet states on the other);
- The fundamental inequality of the economic potentials of the member states, which creates serious concerns on the part of Russia and the countries of Central Asia regarding the threat of China's trade and financial dominance and investment activity;
- Active alternative economic integration projects weakening the SCO floor (the Customs Union, the Eurasian Economic Area, etc)

At the 2006 Shanghai Summit of the SCO, the President of the Russian Federation proposed creating the SCO Energy Club, which was conceived as a structure by the representatives of the official, business and academic circles of the producer, consumer and transit countries of hydrocarbon resources. Harmonization of the national energy strategies of the SCO member countries could be possible in the long term.

The Russian proposal was supported by the leaders of the member states. The first meeting of the Energy Club after the signing of the Memorandum took place on 6 June 2014 in Astana. The member states discussed possible directions of the Energy Club. Promising areas were identified as follows:

- Traditional fuels, new technologies for extraction, transportation and processing of oil, gas and coal, and clean coal technologies,
- Renewable energy sources, including hydropower,
- Energy conservation and energy efficiency,
- Energy security and sustainable energy development,
- Ensuring free access to energy resources.

Economic Cooperation

The SCO's activities acquired an economic dimension although the Organization was initially created with the goal of jointly protecting the borders of neighboring states. At the first meeting in Almaty, the prime ministers of the SCO member states discussed the issues of regional trade and economic cooperation. The member states signed a memorandum on the main objectives and directions of regional economic cooperation and launching the process to create favorable conditions for trade and investment.

The first meeting of the Ministers of Economy and Trade of the SCO member states was held in Shanghai in May 2002. At the end of the meeting, a protocol was signed in addition to the Memorandum and the Ministers in charge of foreign economic and commercial activities made a joint statement. In September 2003, the heads of

governments signed a program of multilateral trade and economic cooperation for next 20 years. The Program is to increase the flow of goods in the region in the short term and to create a free trade zone in the SCO in the long run. Cooperation shall cover energy, transport, agriculture, telecommunications, environmental protection, etc. The action plan for the development of cooperation was signed one year later, in September 2004.

China has a special place in the economic relations of the SCO countries. It increasingly affects the economic situation in the region, encourages cooperation among the SCO countries in this area and insists on the creation of a free trade zone. Furthermore, China proposes creating an infrastructure for trade and investment every year. China pushes the economies of the Central Asian countries into the orbit of its own economic interests and considers them primarily as reliable markets for their products. China actively supports the accession of the SCO countries to the World Trade Organization simply for expanding commercial cooperation.

Cultural and Humanitarian Cooperation

In the Shanghai Declaration on the establishment of the SCO (2001), participating countries also declared to develop cultural cooperation. The ministers of culture first met in Beijing on April 12, 2002. The member states approved to actively support the holding of the Days of Culture, the participation of art collectives and artists.

Humanitarian cooperation has been gradually intensified, joint events are held timed to the significant historical dates of the SCO member countries, the exchange of students and faculty is practiced, and attempts are being made to create joint training centers. In 2008, the University of SCO was formed as a single network educational space based on universities conducting research in the areas of regional studies, information technology, nanotechnology, energy, and ecology (<https://urfu.ru>, 2018).

Criticism of the SCO

Shanghai Cooperation Organization is criticized largely concerning the insolvency of its activities, in particular in the fight against terrorism and the protection of regional security. There is no real cooperation in these areas to counter the threats of terrorism, separatism and the fight against drug trafficking at the regional level.



your turn 4

Discuss the Russian-Chinese rivalry in Central Asia region and in the context of Shanghai Cooperation Organization.

NORTH ATLANTIC TREATY ORGANIZATION (NATO)



Figure 5.18



History and Aims of the NATO

The North Atlantic Treaty Organization (NATO) is the military-political regional alliance uniting most of the countries of Europe, the United States, and Canada. It was founded on April 4, 1949, in order to protect Europe from Soviet influence. In accordance with the North Atlantic Treaty of 1949, NATO aims to “strengthen stability and improve welfare in the North Atlantic region” and “The participating countries have joined their efforts to create a collective defense and preserve peace and security”. In order for the collective defense to be effective, a close cooperation has been established between the member states armed forces and joint action plans have been prepared.



Figure 5.19 Signing of the North Atlantic Treaty, Washington, D.C., United States of America, 4 April 1949.

Source: <http://archives.nato.int/>

Out-of-Area Operations

NATO was initially conceived as a regional / bloc organization. According to the Article 5 of the NATO Treaty (NATO, 1949):

The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all. So, they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defense recognized by Article 51 of the Charter of the United Nations, will assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.

Article 6:

- on the territory of any of the Parties in Europe or North America, on the Algerian Departments of France 2, on the territory of Turkey or on the Islands under the jurisdiction of any of the Parties in the North Atlantic area north of the Tropic of Cancer;

- on the forces, vessels, or aircraft of any of the Parties, when in or over these territories or any other area in Europe in which occupation forces of any of the Parties were stationed on the date when the Treaty entered into force.

However, from the first years of NATO, the organization had actions or initiatives outside the specified areas in the treaty. This situation is defined as Out-of-field. The issue of the out-of-territory problem first emerged with the intervention of Lebanon in 1958. After the Iran Islamic Revolution in 1979, the issue came to the fore again when the US wanted to carry out its activities in the Middle East via NATO.

NATO after the Cold War

NATO's main goal is still the collective defense, but after the Cold War, there has been some variation in the purposes of the organization. Under the new Strategic Concept document (1991), NATO has adopted a non-area intervention in order to ensure the security of the basic resources of supply such as oil. It is also accepted that it would be possible to intervene for humanitarian reasons and events that would destroy stability at the regional level even if there was no direct assault on any member. The Strategic Concept Document (1999) counts ethnic, religious conflicts and terrorism, which will threaten the members, as NATO's intervention areas (NATO, 1991; NATO, 1999; NATO, 2010).

Table 5.12 NATO's Strategic Concepts

#	Adoption by North Atlantic Council	Context of development and key principles of strategic concepts
1	December 1949	Five-year defense plans, coordinated between the Member States.
2	December 1952	Structural changes, the creation of an integrated military force placed under centralized command. "The Strategic Concept of North Atlantic Defense"
3	December 1954 May 1957	Integration of nuclear policy into NATO's strategy. Introduction of the nuclear doctrine of massive retaliation.
	1961-1963	The emergence of the concept of "flexible response" under the leadership of Kennedy and McNamara. Impossible to reach an agreement between the NATO members on a new strategic concept, notably because of the opposition of France.
4	December 1967 December 1969	Developed in the context of the exit of France from the military organization.

5	Rome Summit November 1991	The Alliance's Strategic Concept: Reaffirmation of NATO's fundamental objective of collective security of its members, an extension of this security objective to the whole of Europe through partnerships and cooperation, development of dialogue and cooperation, reduction to the highest level possible low nuclear and conventional forces.
6	Washington Summit April 1999	The Alliance's New Strategic Concept: A broader definition of the security of the Euro-Atlantic area, taking into account new risks that have emerged since the end of the cold war.
7	Lisbon Summit November 2010	Active Engagement, Modern Defence: Global Policy Directive November 2006. Declaration on the Security of the Alliance of April 2009 at the top of Strasbourg. Publication of the new concept at the Lisbon Summit.

NATO would conduct no military operations during the Cold War to demonstrate that the Alliance was highly successful in providing collective security and deterrence, which would necessarily be preserved in the early 1990s when there were still many threats uncertainties.

The missions and the arrangement of NATO's military assets have evolved sharply since the main threat has converted from by the Warsaw Pact armies into the crises or wars that may break out in near or far geographical areas that will threaten NATO's interests. This extension of NATO's field of intervention to new missions beyond the strict defensive framework of territory defending dates back to the early 1990s when the Organization used its military forces beyond the NATO borders. However, France fiercely opposes NATO's transformation into a global security organization.

The Bosnian War was NATO's first operational field of intervention following the dissolution of the Socialist Federal Republic of Yugoslavia in 1993. NATO later intervened in Kosovo, where KFOR, a NATO peacekeeping force under the UN mandate, was still stationed in early 2017.

The NATO Summit on 24 April 1999 in Washington, USA, endorsed the Alliance's Strategic Concept, which would be in effect until 2010. The Concept describes goals and tasks, analyzes the security situation and assigns strategic perspectives and tasks. The maintenance and development of effective military capabilities will ensure the members' preparedness for defense by establishing

and strengthening the security of Europe and North America. However, the most important change appears in the statement that conflict prevention and crisis management may also include military operations, which are called 'out-of-area missions'.

After the September 11 attacks, the North Atlantic Council referred for the first time in its history to Article 5 of the Washington Treaty, which stated the attacks against USA were accepted as the attacks against them all. As such, NATO has been performing maritime operations in the Mediterranean and the Indian Ocean since 2001.

However, many of the major US-performed joint military operations are not within the NATO framework:

USA launched the 2001 Afghanistan campaign for taking quick military steps after the September 11 attacks and later handed the mission over to the NATO-led ISAF. USA waged the Iraq War as from March 2003 with an ad hoc coalition outside NATO due to the reluctance of some NATO members, especially France and Germany, to participate the war. In early 2017, NATO was engaged with Afghanistan, Kosovo and naval operations in the Mediterranean.

On 19 November 2010, the Alliance adopted a new strategy paper at the 2010 NATO Summit in Lisbon that would provide intensive cooperation with Russia and include the adjustments in the area of nuclear deterrence, cyber war and the establishment of a missile shield.

NATO officially recognized the concept of cyber war on 15 June 2016 as an operational area of war, just like land, sea and air warfare. Thus, Article 5 of the North Atlantic Treaty shall be applicable in case of any cyber-attack against the NATO members. The NATO-Russia relations have affected badly by some tensions such as NATO’s installation of a missile defense shield, and the Ukrainian crisis and Syrian Civil War –by which Russia declared its return to the forefront of the global diplomacy.

Table 5.13 Military Activities of NATO

Military Activities	Year Initiated
Anchor Guard, Kuwait-Iraq	1990
Ace Guard, Kuwait-Iraq	1991
Operation Joint Guard, Bosnia, and Herzegovina	1992
Operation Allied Force, Kosovo-Montenegro-Serbia	1999
Afghanistan War, Afghanistan	2003
NATO Training Mission-Iraq, Iraq	2004
Operation Ocean Shield, Somalia	2009
Military Intervention in Libya	2011

From this perspective, it can be argued that NATO is a sui-generis organization and its security agenda has been gradually expanding. NATO is a post-regional security organization.



your turn 5

Discuss and analyze the NATO’s new cyber concept and its global position.



Figure 5.20

Source: https://www.nato.int/cps/en/natohq/topics_66470.htm

L01

Define the OAS and the UNASUR as an American regional cooperation

The Organization of American States

The idea of creating a unified federation of Latin American states was born in the XIX century. The main supporter of the American states association was Simon Bolivar. However, the first attempt to bring together the newly-formed states of South America into the general structure was not approved by the governments, which for many decades were engaged in a competitive struggle among themselves. On April 14, 1890, at the first American Conference held in Washington in 17 countries in Latin America, the United States decided to establish the Inter-American League of States and its permanent body, the Bureau of Commerce of the Inter-American Republic. This is the predecessor of the Organization of American States. At the ninth meeting held in Bogota, Colombia in 1948, the Charter of the Organization of American States was adopted and it was tampered with as the Organization of American States. The aims of the Organization of American States are to strengthen peace and security in the Western Hemisphere; to ensure the peaceful settlement of disputes among member states; to organize solidarity actions when member states are invaded; to seek solutions to the political, economic, and legal issues among member states and to focus on transformation and promotion. Economic, social, and cultural cooperation among nations and the clean organization of society have accelerated the process of integration in the Americas. The highest authority is the General Assembly. The annual meeting is held once every year and is attended by all member states. With the consent of two-thirds of the member states, an extraordinary conference may be convened. The permanent council is composed of representatives from each member country and is represented at the ambassador level. The General Secretariat is the permanent administrative and bureaucratic organ of the OAS.

Union of South American Nations

The UNASUR integrates the two existing customs unions – MERCOSUR and the Andean Community. The Cusco Declaration of 8 December 2004 established the UNASUR. The declaration states that it reflects the desire of the peoples of Latin America to integrate, unite and build a common future. The main objectives of the UNASUR are political, social and economic integration as well as cooperation in the field of education, environment, infrastructure, cultural diversity, safety and social development. UNASUR has several organs. These are:

The Council of Heads of State and Government is the main institution of the Union. It is responsible for establishing the political objectives, programs of action and projects of the South American integration process.

The pro tempore presidency shall be held successively by each of the Member States for a period of one year. The President is responsible for preparing, convening, and chairing the meetings of the institutions. The Council of Ministers of External Relations meets every six months. The Council of Delegates is coordination organ of the Union's initiatives with other existing regional and sub-regional integration processes. It is also responsible for creating a forum to promote citizen participation in the South American integration. The General Secretariat is the core organ of the organization's bureaucracy. The South American Parliament is the deliberative body representing the twelve member states of the Union of South American Nations. Also UNASUR has many types of councils that were established in different sectors and issues.

LO 2

Learn the history of African Regionalism and describe organs of the African Union

The “union thought” in Africa emerged at the end of the 19th century. It was shaped by the idea of Pan-Africanism. In this manner, the Organization of African Unity was established in 1963. It was the world’s largest regional integration in contrast to the name “unity”. In principle, domestic noninterference is the principle, and it was not able to take effective measures against the crisis such as the frequent civil wars and coups in each country, and it was in dysfunction. In addition, the economic integration among countries has been slowly progressing. OAU was reorganized into the African Union with the aim of giving strong authority to the “African Unity Concept”. The African Union is a coalition of 55 African countries. AU is interested in all-African politics that integration, economy, human rights and continental security.

The main organs of the AU are:

- Assembly
- Executive committee
- Commission
- Committee of permanent representatives
- Peace and Security Council
- Pan-African Parliament
- Economic and social Council
- Court of Justice
- Specialized technical committees
- Financial institutions

The African Union also plans to use a common currency to jointly defend its forces, and to set up cross-nation institutions. This includes a cabinet government that administers the African Union. The main purpose of this alliance is to help develop and stabilize democracy, human rights, and a sustainable economy in Africa. In addition, it hopes to reduce armed conflicts and to create an effective common market in Africa. The ultimate goal is to establish full-fledged African Union. But now, its substantive influence is only moderate, because its limited funds have limited armed forces.

The AU has many peace-keeping and monitoring operations in the continent. The AU Peace Corps was also dispatched to the Darfur conflict in the Republic of Sudan to implement peacekeeping missions, and the AU also sent peacekeeping ambassadors from Uganda to Somalia to perform peacekeeping missions. The AU has adopted and signed a series of agreements to upgrade the effectiveness of the agreements to the continental level and promote democracy, politics, and economy etc. Additionally on July 3, 2006, the African Court on Human and Peoples’ Rights was established with the aim of legally guaranteeing the African Charter on Human and Peoples’ Rights. The court, decided on international treaties and international law about human rights violations made by the government.

L03

Learn the aims and the structure of Shanghai Cooperation Organization aims and structure



The Shanghai Organization for Cooperation was founded in 2001 and emerged from the Shanghai Five founded in 1996. It includes the People's Republic of China, India, Kazakhstan, Kyrgyzstan, Pakistan, Russia, Tajikistan and Uzbekistan. The SCO deals with Member States' security cooperation, economic and trade issues and stability in the region. Currently, the SCO represents about 40% of the world's population, making it the largest regional organization in the world. Since December 2004, the SCO has had observer status at the United Nations.

The basic goals of the SCO are:

- strengthening of trust among the Member States
- participation and cooperation in political, scientific-technical, cultural, touristic and environmental areas, in the area of trade, energy and transport
- the common guarantee and support of peace and security in and between the regions of the member countries
- solution and resolution of conflicts

The main agenda of SCO is the establishment of security in central Asia (Eurasia) by member countries. Often it is evolving into an exchange of ideas on terrorism, religious issues and separatism. The SCO also carries out a military chief of staff general meeting and a defense ministerial meeting by the member countries. At the SCO Summit held in Tashkent, in June 2004, the Regional Anti-Terrorism Organization (RATS) was officially established. Economic and Cultural cooperation also occurs in the SCO. A framework agreement was established in September 2003 to promote economic cooperation between the SCO states, and SCO Interbank Consortium was established in 2005.

LO 4

Define NATO and explain its changing strategies

The North Atlantic Treaty provides for a defensive alliance of the members. First article of the treaty commits the members to the peaceful settlement of conflicts and friendly arrangement of international relations. The preservation of the Western-liberal social order with political, economic, social and cultural cooperation and recognition of democratic principles is also part of it. In case of an armed attack on one of the members, the treaty obliges the other member states to the so-called collective self-defense.

During the Cold War, NATO's main task was to guarantee the freedom and security of its members through deterrence, rearmament and constant preparedness. After the reunification of Germany, the disintegration of the Warsaw Pact, collapse of the Soviet Union, and European security environment triggered fundamental changes. Under these circumstances NATO were adapted itself to the new situations. New dialogues and cooperations with the "old rivals", and various partnership programs including Partnership for Peace finally culminated in NATO's eastward enlargement.

One of the "new ideas" was NATO's agreed readiness for out-of-area operations in 1992. Following authorization by the UN Security Council, NATO had military operations out of the NATO territories. The consequence of this decision was NATO's active war effort with the air raids against Yugoslavia during the Kosovo war. This process was criticized harshly because no NATO member states were attacked and there was no authorization by the UN Security Council. At the end of the 1990s, NATO underwent another transformation aimed at rapid intervention in crisis areas, greater flexibility, and a shift away from bipolar threat thinking, along with a change in leadership levels and institutional setups.

After 9/11 attacks, NATO countries agreed a series of measures to support the US in its fight against international terrorism, and the organization has operated a number of additional functions since then including sending instructors to Iraq and assistance in operations against piracy. At the Lisbon summit at the end of 2010, the Alliance adopts a new strategic concept:

- Recalls the fundamental principles of security and collective defense on which the Alliance is founded.
- Focuses on the growing threats to its members, such as the proliferation of NBC weapons of mass destruction and ballistic missiles carrying these weapons, cyber attacks and terrorism, maritime and aviation security and risks related to crises and conflicts beyond NATO's borders.
- Promotes partnership with the EU and calls for strengthening the Alliance's military capabilities.

1 The oldest and largest inter-state, regional organization in the world is the:

- a. North Atlantic Treaty Organization
- b. Organization of African Unity
- c. Union of South American Nations
- d. Organization of American States
- e. Shanghai Cooperation Organization

2 Which of the following states **did not** ratify The American Convention on Human Rights?

- a. United States of America
- b. Venezuela
- c. Colombia
- d. Brazil
- e. Argentina

3 Which of the following organizations was established with the Cusco declaration?

- a. AU
- b. OAS
- c. UNASUR
- d. NATO
- e. SCO

4 The head position and representative of UNASUR is

Which of the following options correctly completes the sentence above?

- a. The Council of Heads of State and Government
- b. President Pro Tempore
- c. The Council of Ministers of Foreign Affairs
- d. The Council of Delegates
- e. The General Secretariat

5 Which of the following summits **is not** related to the establishment of the African Union?

- a. Sirte Summit
- b. Lome Summit
- c. Durban Summit
- d. Kigali Summit
- e. Lusaka Summit

6 The main body of the AU for the prevention, management, and resolution of conflicts is:

- a. Peace and Security Council
- b. The Economic, Social and Cultural Council
- c. The Permanent Representatives' Committee
- d. Pan-African Parliament
- e. Executive Council

7 The major objective is the Shanghai Cooperation Organization is:

- a. Resolving border problems
- b. Separatism
- c. Terrorism
- d. Counter-balance the US hegemony
- e. All of the above

8 The supreme body of Shanghai Cooperation Organization is:

- a. The Council of Heads of State
- b. The Council of Heads of Government
- c. The Council of Foreign Ministers
- d. The Secretariat
- e. The Council of National Coordinators

9 A broader definition of the security of the Euro-Atlantic area, taking into account new risks that have emerged since the end of the cold war is emphasized in NATO's:

- a. The Strategic Concept of North Atlantic Defense (1952)
- b. The Nuclear Doctrine of Massive Retaliation (1954)
- c. The Concept of Flexible Response (1961)
- d. The Alliance's New Strategic Concept (1999)
- e. Active Engagement, Modern Defence (2010)

10 NATO was found on

- a. 01 April, 1945
- b. 03 April, 1946
- c. 04 April, 1949
- d. 04 June, 1950
- e. 12 April, 1951

- | | | | |
|-------------|---|--------------|---|
| <p>1. d</p> | <p>If your answer is not correct, review the section on "Organization of American States (OAS)"</p> | <p>6. a</p> | <p>If your answer is not correct, review the section on "African Union (AU)".</p> |
| <p>2. a</p> | <p>If your answer is not correct, review the section on "Organization of American States (OAS)"</p> | <p>7. e</p> | <p>If your answer is not correct, review the section on "Shanghai Cooperation Organization (SCO)"</p> |
| <p>3. c</p> | <p>If your answer is not correct, review the section on "Union of South American States (UNASUR)"</p> | <p>8. a</p> | <p>If your answer is not correct, review the section on "Shanghai Cooperation Organization (SCO)"</p> |
| <p>4. b</p> | <p>If your answer is not correct, review the section on "Union of South American States (UNASUR)"</p> | <p>9. e</p> | <p>If your answer is not correct, review the section on "North Atlantic Treaty Organization (NATO)"</p> |
| <p>5. d</p> | <p>If your answer is not correct, review the section on "African Union (AU)"</p> | <p>10. c</p> | <p>If your answer is not correct, review the section on "North Atlantic Treaty Organization (NATO)"</p> |

Discuss why and how the United States of America influences the Organization of American States

your turn 1

The OAS has been under clear political and economic influence of the United States for much of its history. For a large part of the twentieth century, the OAS was strongly connected with the so-called Monroe Doctrine. It was expressed by the American President Monroe that the then independent nations on the American continent were sovereign, European involvement attempts at recolonization was unacceptable and the United States had a leading role in maintaining the independence of the American nations.

In the Cold War era, the US saw communism as an “outside-American” influence, which had to be barred from the American continent. This led to active support from the United States to “right”, anti-communist governments in the Western Hemisphere, and to actively intervene in countries where a socialist regime was threatened to be established. This intervention was often done with the approval of the OAS or under the cloak of the principles of the Charter of the OAS, as with the intervention in the Dominican Republic in 1965. One could regard the OAS as an area of influence of the United States in those years. From the end of the 1970s US dominance was clearly declined by Latin American states. For example during the events in Nicaragua in 1979 the OAS simply rejected a plan for intervention.

After the Cold War, “hemispheric security” issues were redefined. The traditional concepts of regional security, geopolitical or strategic threats have been expanded and transformed. The United States and Latin American states have developed a common security agenda involving the assessment of human rights, democratization, the environment, government reform, social equality, narco-trafficking and a free market. After the 1990s, USA pretended to be a team player that opted to make use of the OAS in regional policy choices. But the US confronted with Venezuela, Uruguay and Brazil due to democratization policies of the OAS. Latin American states perceive the US democratization discourses and its influence on the OAS as a violation of non-intervention principle.

The main reason for the US influence over the OAS is that the Latin American states must not reach a consensus on what their goals are on the organization. Also, they cannot form a common block against the United States because of the foreign policy problems between them.

Please discuss the role of the South American Defense Council in terms of South American integration.

your turn 2

Since the 19th century, there have been joint security system initiatives across America. Inter alia UNASUR's The South American Defense Council today is an important platform.

The CDS is one of the twelve Sectoral Councils of UNASUR created by the Council of Heads of State, in December 2008. The CDS represents a willingness of the countries of the region to develop their own capacity to act in the face of situations of threats to democracy, peace, political stability, security and regional development, as well as a South American identity. The CDS focuses on four axes: Defense Policies; Military Cooperation, Peace Operations and Humanitarian Assistance; Defense Industry and Technology and; Training and qualification.

First UNASUR Summit was held in Brasilia in 2005, the South American Citizen Security Action Program is proposed with the aim of promoting the exchange and accumulation of knowledge and experiences in the fight against organized crimes in South America. In the second meeting in 2006, The CDS took decisions about the fight against drug- trafficking, natural disasters, the role of the armed forces and the need to reinforce cooperation in this field.

But the CDS has some problems for instance to harmonize lines of action in matters of defense; and to consolidate a comprehensive vision of risks and threats in the region. In order to overcome problems, Center for Strategic Defense Studies (CEED) was established with the objective of generating strategic thinking at the regional level, which contributed to the coordination and harmonization of defense policies in South. As a platform for political dialogue, the CDS has a fundamental role when "tensions" have arisen, such as those that occurred between 2008 and 2009 between the governments of Ecuador and Venezuela and of Colombia.

Compare the Organization of African Unity and the African Union for regional cooperation.

your turn 3

Since its creation, the OAU has given an essential place to the peaceful settlement of inter-African conflicts. A Mediation, Conciliation and Arbitration Commission is set up for this purpose, but its resources are limited and the organization sometimes resorts to Councils of Wise or ad-hoc committees to try to find solutions to disputes. An African Charter on Human and Peoples' Rights was adopted at the 1981 summit in Nairobi and led to the creation in 1986 of the African Commission on Human and Peoples' Rights. With the end of the Cold War and East-West bipolarity, Africa must redefine its policies in the context of a proliferation of internal conflicts. At the Cairo Summit in June 1993, it endorsed the establishment of a mechanism for the prevention, management and resolution of African conflicts, the main body of which is composed of the Heads of State of the member countries of the Bureau in office of the Conference. At the same time, the organization was involved in issues related to development and economic cooperation.

The vision of the AU is to construct an integrated, prosperous and peaceful Africa, which will be steered by its citizens and a dynamic force on the world stage. The vision is also a change of perspective with the definition of common policies in such priorities as defense, peace and continental security, integration of African economies, free movement of people, goods and capital, food security, fight against poverty, development, trade, environment, and fight against pandemics.

The peaceful settlement of conflicts is particularly the focus of concern. In 2004, a Peace and Security Council (PSC) was created. This new key institution may, with the authorization of the Conference of Heads of State, order military intervention in serious circumstances (war crimes, genocide, and crimes against humanity). It is the principle of “non-indifference stance” that breaks with the principle of non-interference without exceptions inscribed in the charter of the OAU.

Discuss the Russian-Chinese rivalry in Central Asia region and in the context of Shanghai Cooperation Organization.

your turn 4

The interests of China and Russia coincide in Central Asia. Emerging security problems such as Islamic extremism brought the positions of both countries closer together, leading to an intensification of cooperation within the framework of the Shanghai Cooperation Organization (SCO). But the further strengthening of the Chinese presence in Central Asia will cause inevitable rivalry.

Russia has been the dominant player in Central Asia since the 19th century. But now, Russia is afraid of losing its advantages and the appearance of new competitors. Russia is still an important economic and political actor for the Central Asian states. However, China's growing influence is an opportunity for them to diversify their foreign economic relations. China is the largest trading partner of Tajikistan, Kazakhstan, Turkmenistan, and Kyrgyzstan. Faced with a more economically powerful China, Russia wants to use large resources to keep the Central Asian countries in its orbit. In the conditions of economic stagnation and a high probability of maintaining tension in the "front yard", this could be a serious challenge for Moscow. Multilateral mechanisms may not resolve rivalries. China seeks to develop further economic integration within the SCO, but Russia resists any multilateral agreements that do not provide for the preservation of its leading positions. It is not yet clear whether the SCO will be successful to mitigate the pressure created by the competing positions of the two countries in regional cooperation. Common interests also cannot prevent rivalry. Many consider the arms trade an example of a strong centerline of Chinese-Russian cooperation. However, by selling thousands of weapons to China, Russia sells even more of India to its strategic rival. Russia refuses to sell to China its most advanced weapons, fearing the loss of intellectual advantage and excessive growth of China's military power. One of the main obstacles to the development of international organizations is the leadership competition among members. Russia and China's leadership competitiveness in the region is a factor that will affect the success of SCO.

Discuss and analyse the NATO’s new cyber concept and its global position.

your turn 5

At the 2009 NATO’s Strasbourg summit; it was agreed that the Rapid Response Teams (RRTs) should be created to counteract cyber attacks against member states initiated by the Member States to upgrade their cyber defense capacities, and NATO Headquarters experts should conduct research to determine the legal aspects of the cyber defense. In the final report of the NATO Newport Summit, Wales, four decisions (64, 72, 73 and 104) were made on the threats to security and safety:

- Member States should cooperate more because the scope and number of cyber threats will increase in the future;
- Member states should have more coordination in cyber issues because there is a large gap of cyber space regulations cyber space in international law;
- Member States should strengthen their cyber security policies;
- There should be increase in relations with organizations such as the European Union, which is engaged in cyber security;
- NATO should strengthen relations with companies operating in the cyberspace sector.

As Cyber threat grows, NATO is trying to adapt itself. However, when compared to the development of the cyber-world and technology, it is clear that NATO needs to increase its cyber defense capacity even more rapidly. The cyber-attacks will be decisive on the future position of NATO. Global cyber-attacks will transform NATO cyber-global organization.

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Chapter 6

Samples Of Regional Integrations (Eu, Aladi, Mercosur, Andean Community and Nafta, Eaec, Asean)

After completing this chapter, you will be able to:

Learning Outcomes

- 1 Describe and evaluate the motivations behind the emergence of European Union and explain its decision making process.
- 2 Clarify the main focus of ALADI, its position in the global order and its background.
- 3 Explain the goals and economic size of Andean Community, evaluate the primary motivations to form a Customs Union among particular South American states.
- 4 Reflect your knowledge and perspective on political economy of Eurasia. Analyze EurAsEC and its impact on the Eurasian economy.
- 5 Explain NAFTA's path to its emergence and make distinctions between Mexico at one side and the United States, Canada at the other from economic and political perspectives, with the knowledge of the factors that triggered these three countries to sign an economic agreement.
- 6 Narrate on Southeast Asian Nations and their goals in forming ASEAN, its trading activities and areas of cooperation.
- 7 Discuss the roots of MERCOSUR, compare it with the other regional organizations in terms of its economic size, governance structure and common principles.

Chapter Outline

European Union
ALADI
ANDEAN COMMUNITY
EurAsEC
NAFTA
MERCOSUR
ASEAN

Key Terms

- Regional Organizations
- Member States
- Customs Union
- Common Market
- Head of State
- Secretary General
- Cooperation
- Customs Tariff
- Economic Privilege
- International
- Organization
- Headquarter
- Commission
- Council
- Parliament



Introduction

The end of the Cold War and dissolution of the Soviet Union and its zone of influence led the creation of international organizations to conduct closer relations and harmonize their policies in various spheres such as economy, foreign policy and even in the domestic policy for some cases. The states in the same geography usually have common interests in specific areas which makes it possible to cooperate within a single region. Although they may show similarities in some cases, each regional organization has different goals over their member states. For example, European Union aims at forming a binding authority over their member states in economic and political realms, while the Association of Southeast Asian Nations (ASEAN) suggests non-interference in domestic affairs of its member states.

Regional organizations are international organizations which bring particular states together mainly for economic and political purposes. They determine a set of policies for common interests in a selected area / areas.



Figure 6.1

EU - European Union

European Union, is a regional organization which consists of 28 European states that aims at implementing a common economic, social, and security policies. Originally created in western Europe, the EU expanded towards central and eastern Europe following the end of the Cold War.

European Union dates back to 9th of May, 1950, where The Ministry of Foreign Affairs of France at the time, Robert Schuman proposed the idea of establishing a common market for particular countries to delegate control of coal and steel sectors to an independent authority.

Since his proposal led the emerging of European Union, the 9th of May is celebrated as the birthday of the EU every year.

A year after Schuman's proposal, European Coal and Steel Community (ECSC) was established to integrate the coal and steel sectors in Western Europe following the World War 2. The founding treaty of ECSC, Paris Treaty was signed on 18th of April, 1951 and came to force in 1952. The founding members were France, West Germany, Italy, Belgium, the Netherlands and Luxembourg. Other than the European Coal and Steel Community, the founding treaty of European Economic Community (EEC) and European Atomic Energy Community (Euratom) were signed on 25th March, 1957 in Rome and came into effect a year after. In 1965, Brussels Treaty, merged the executives of the three communities: ECSC, EEC and Euroatom.

The Single European Act (SEA) was signed in 1986 and came into effect in the following year. SEA amended and opened the way for completing the single market.

The Maastricht Treaty, also known as European Union Treaty, was signed on 7th February, 1992 in Maastricht, Netherlands and came into force in 1993. While this treaty established the European Union in today's context, it also enhanced the authority of the European Parliament in the decision making process and created new areas of cooperation.

The Amsterdam Treaty, which amended the previous treaties, was signed on 2nd of October, 1997 and came into force in 1999. This treaty altered the previous ones and positioned the Union on three pillars that are the European Communities, the Common Foreign and Security Policy and cooperation in the area of Justice and Home affairs. Thereby, the EU took an important step towards becoming a political entity alongside its economic character.

Nice Treaty was signed on 26th February, 2001 and came into force in 2003. The aim of the treaty was to sustain EU's institutional operation in a productive way after 10 new members' joining in 2004. It focuses on reforms in the EU's institutional structures. By this treaty, the number of seats in the European Parliament for the new member states, the number of votes allocated to them within the Council of the EU and Parliament were determined.

On 29th October, 2004, twenty-five member states of the EU signed the Treaty of creating a Constitution for Europe which would replace all the existing treaties. The Constitution suggested forming new posts such as President of the European Council and EU Foreign Minister who would head a new External Action Service. The leaders of the member states came to a conclusion that an institutional reform was mandatory at a time the EU's biggest enlargement with 10 new members would take place in 2004. The Constitution would come into effect if it would be ratified by all twenty-five member states of the EU at the time. This process required conducting referendum in particular countries. However, in the referenda, citizens of France (%55) and Netherlands (%62) voted against the Constitution which failed the process. Despite of this result, European institutions continued to operate according to the existing treaties.

The Lisbon Treaty was signed on 13th of December, 2007 and came into force in 2009. This treaty simplified the operation modes and voting system. It created an office for a full time Presidency of European Council for a period of 2,5 years which is selected by the leaders of Member States from a pool they create. On the other hand, it formed a position called High Representative of the Union for Foreign Affairs and Security Policy who would be responsible for a common and security policy. The Lisbon Treaty mainly aimed at turning the EU to a more influential actor in the global arena by creating new structures.



Figure 6.2 European Union flags in front of the Berlaymont building

From 6 to 28 Members: The Wave of Enlargements

After the formation of the European Coal and Steel Community by the mentioned 6 founding members, Denmark, Britain and Ireland joined in 1973, followed by Greece in 1981, Portugal and Spain in 1986 and Austria, Finland, Sweden in 1995. In 2004 the biggest enlargement of the Union was accomplished with 10 new members: Greek part Cyprus, Czech Republic, Estonia, Hungary, Letonia, Lithuania, Malta, Poland, Slovakia and Slovenia.

In 2007, Bulgaria and Romania joined the Union and the last enlargement wave integrated Croatia with the EU. Turkey, on the other hand, applied for full membership in 1987. In 1999, at Helsinki Summit, Turkey was announced as a candidate for full membership. The full membership negotiations started in 2005, and the process still continues. Besides Turkey, Albania, Iceland, Montenegro, Serbia, Macedonia, Kosovo applied for full membership to the Union.

The capital of the European Union is Brussels and it uses Euro currency since 1999 except a couple of member states. As mentioned above, the EU has been enlarging since its foundation. In 2013, Croatia joined the Union which made the number of member states 28 and total population of the Union became 507 million.

However, when Russia annexed Crimea, the autonomous republic of Ukraine in 2014 a migration crisis emerged which led hundreds of thousands refugees seeking asylum in Europe. This crisis triggered the Euroscepticism meaning criticism on EU and European integration. In such atmosphere Britain made a declaration of intention towards leaving the EU due to a result of popular referenda conducted in 2016. The British people voted for exiting the EU by a narrow margin (%52) that would decrease the number of member states to 27 in near future.

The European Union does not only suggest to produce common policies in the economy but also in agriculture, transportation, energy, industry, politics and military fields. It is possible to argue that the EU accomplished to form a unity in the economical area whereas in the foreign policy and military related affairs, it is hard to say a real joining could be maintained.

Governance

The concept of 'European governance' refers to the set of rules, procedures and practices that determines how the authorities are distributed and used within the EU. The main goal of European governance is to consolidate democracy at European level and increase the interaction between the citizens of member states and the European Union bodies while distributing power among the member state governments and the European Union. The European citizens are represented by the European Parliament where the EU, as an institution, involves with governance via European Commission. The governments of the member states perform their duties through the Council of the European Union.

European Commission

The Commission exercises executive power within the institutional structure of the EU. It is responsible for looking after EU's interests as a whole. The preparation of legislative proposals, the application of EU's policies are among the duties of the Commission. It is also charged with guarding of the founding treaties and it is its duty to warn any member state in case of violation of the treaties.

Main functions of the Commission are; preparing legislative proposals to the European Parliament and the Council of the European Union, application of EU policies and managing the EU's budget, ensuring the *acquis* is enforced together with the European Court of Justice, representing the EU in the international level.

The members of the Commission are appointed by the member states for a period of 5 years. The appointed members should be approved by the Parliament as a whole. In the last parliamentary elections, top voted European People's Party's candidate, former prime minister of Luxemburg, Jean-Claude Juncker became the president of the Commission. Following his nomination by the leaders of the member states and the Parliament's approval, he came into office by 1st November, 2014. The president of the Commission cooperates with 27 other commissioners including his first vice president, High Representative of the Union for Foreign Affairs and Security Policy and 4 other vice presidents. Each Commissioner is assigned responsibility for a specific policy area by the President.



Figure 6.3 Brussels, Belgium - June 7, 2014: Berlaymont building of the European Commission. The building was built in 1969.

European Parliament

The European parliament consists of 751 members including a president and 750 members from 28 member states. The members are elected by direct votes of people who are citizens of the EU's member states. The allocation of seats in the parliament depends on the population of the member states. Countries with larger populations have more seats than the ones with smaller populations. For example, there are 96 German parliament members in the European Parliament where Malta, Luxembourg and Estonia have only 6 members each.

The current members of the Parliament took office on 1st July, 2014. The president of the Parliament is elected among its members. The current president is Antonio Tajani, an Italian, who was a former spokesman for Italy's Prime Minister, Silvio Berlusconi. Tajani also served as a commissioner in the European Commission in the past.

There is a condition in the Parliament which necessitates at least 25 members elected from 7 countries. For this reason, 8 political groups were established. The European Parliament represents the democratic interests and political views of the EU member states' citizens. For this reason, the members in the Parliament do not form groups according to their home countries but for their political views.

The general assembly of the Parliament is conducted in Strasbourg whereas political groups and committees gather in Brussels. The secretary of

the Parliament is located in Luxembourg. The issues taken to Parliament are first considered in one of the 24 committees whose report is presented to the General Assembly and the negotiations take place accordingly. The European Parliament shares the legislation power with the Council of the European Union. In today's EU, the legal arrangements that are binding for all member states can be done by only approval of the Parliament and the Council of the European Union.

In particular areas such as foreign policy, the Parliament has only an advisory role, its views are not binding. The Parliament makes the EU budget together with the Council of the European Union. It has authority to make political controls on other bodies of the EU. The Parliament may address oral or written questions, it may form commission of inquiries and may accept complaint petitions. Besides, it may force the European Commission to resign by motion of non-confidence with the two third majority.

Council of the European Union

The Council, also known as the Council of Ministers, is the organ that has the most weight in the EU from the beginning. It uses the authority to legislate together with the European Parliament. The Council of the European Union does consist of the ministers that serve in the member states of the EU.

The Council represents the national interests of the member states, it adopts EU laws and coordinates EU policies. It develops EU's foreign and security policy, adopts EU budget jointly with the European Parliament. The Council also concludes agreements that the EU conducts with other countries or international organizations. It gathers with the participation of ministers depending on the policy area to be discussed. For example, if the policy area is related with economics and monetary policies, the finance and economy ministries of the member states attend the meeting.

The Council is located in Brussels. The discussion and voting processes are conducted publicly according to qualified majority system that worths %55 of the countries meaning 16 of the 28 member states and representing 65%

of the whole EU population. In particular issues such as foreign policy and taxation, unanimous vote is required. The Council gathers with 10 different configurations: Agriculture and Fisheries, Competitiveness, Economic and Financial affairs, Environment, Employment, Social Policy, Health and Consumer Affairs, Education, Youth, Culture and Sport, Foreign Affairs, General Affairs, Justice and Home Affairs, Transport, Telecommunications and Energy. There is no permanent chair of the meetings except the Foreign Affairs Council which is chaired by the High Representative of the Union for Foreign Affairs and Security Policy. Other meetings are chaired by the minister of the member state who holds the Council's presidency for a period of 6 months.

European Council

European Council is the organ that gathers presidents, heads of states of member states in the EU. In addition to the top leaders of the member states, the European Council President and President of the European Commission participate the meetings. It does not have an authority of legislation; however, it sets the main goals of the European Union and its policy agenda. The European Council adopts a voting system where it takes decision mostly by consensus. However, in some cases indicated in EU treaties, it decides with unanimity or qualified majority systems.

The European Council President and the President of the Commission do not take part in the voting procedure. The European Council gathers since 1974. In 1992 it gained an official status and with the Lisbon Treaty's coming into force, the European Council became one of the organs in the EU. The meetings are conducted in Brussels every six months. The President of the European Council is elected by qualified majority voting system among the 28 leaders for a period of 2,5 years. The current President is Donald Tusk the former prime minister of Poland. Besides chairing the European Council meetings and presenting reports to the European Parliament after each European Council meeting, The President represents the EU at international summits jointly with the President of the European Commission.

European Union in Today's World

Despite all member countries are sovereign and independent states, they accepted to transfer some of their sovereignties to the EU to be more powerful and benefit from the power of the Union. Transferring some of their sovereignties led member states transmitting their authorities to make decisions relating the common interests. Thereby, the EU is positioned somewhere between the United States of America where a true federal system is present and the United Nations where an intergovernmental system operates.

The major accomplishment of the European Union since its foundation in 1950 is to create a single market where 500 million EU citizen may freely travel and live. The single market contains goods and services within the borders of the Union. Besides that, an international currency, Euro was created in 1999 as mentioned and 19 members have joined the Euro area and all members are committed to join the Euro at some stage except Denmark. Moreover, EU is the biggest provider of development and humanitarian aid programs all over the world.

The European Union is based on superiority of law. Every action of EU is based on treaties which were signed, confirmed by member states by voluntary and democratic methods. When the member states negotiate about the treaties and come to a mutual agreement, the treaties are either approved in the national parliaments of the states or taken to a national referenda depending on their national laws.

Besides, the supremacy law doctrine claims that the EU laws are superior to national legal frameworks of the member states which means that the EU laws would be taken into consideration in case of a conflict between a EU law and a national law of a member state.

While the treaties reveal the aims of the EU, the regulations of its institutions, the methods of giving decisions, also regulate the relations between member states and the EU. The treaties are amended by every joining of a new member state. They would also get amended to make reforms at the institutions of the EU and create new areas of responsibilities. The last amendment regarding the treaties was Lisbon Treaty which came into force

on 1st December, 2009. By this way, the previous treaties that are Treaty on European Union and the Treaty establishing the European Community were amended and inserted in Lisbon Treaty.

Decision Making Process

Each law in Europe is based on a clause in a treaty that is named as legal base of the law. This would determine the legal process that should be followed. The related treaty would point to the proposal of the Commission, the readings conducted in the Council, the Parliament and the decision making process that contains the views of advisory bodies. The Council also determines when unanimity and when a qualified majority vote is required.

Most of the *acquis* is accepted by ordinary legislative procedure. According to the procedure, the Parliament and the Council share the authority of legislation. The process starts with the Commission's legislative proposal. While the Commission prepares a proposal, governments of the member states, organizations, non-governmental organizations and individuals express their opinions. These opinions are integrated to the Commission's legislative proposal that is presented to the Council and the Parliament. The proposal could be prepared on request by the Council, EU Summit, Parliament or EU citizens. The other option is that the Commission may prepare the proposal on its own initiative.

The Council and the Parliament read and discuss the legislative proposal. If there is no consensus in the second reading, the proposal is sent to the 'Commission of Conciliation' that is made up of equal number of members from the Council and the Parliament. The representer of the Commission may also join the meetings and contribute to the discussions. When the 'Commission of Conciliation' reaches an agreement in itself, the text is sent to the Parliament and the Council for a third reading. Usually, an absolute majority is required in the Parliament while a qualified majority is enough in the Council. Each member state has a voting capacity in accordance with its size and population. In particular cases unanimity voting may take place.

The decision making process of the EU is known as the 'Ordinary Legislative Procedure' which means the European Parliament, formed by popular vote, should approve EU legislation jointly with the Council of Europe. It gives the same weight to these two organs on a wide range of areas such as economic governance, immigration, energy, and environment. The vast majority of European laws are adopted jointly by the European Parliament and the Council. There are various forms of instructions in the European Union's regulation system. These are regulations, directives, decisions and recommendations.

Regulations

The EU's regulations, are superior to the national laws of the member states. These regulations take priority over the national judicial system of the member states. The EU regulations are binding for all member states.

Regulations are the laws that all member states have to follow directly. The regulations do not have to get implemented to the national laws of the member states; however, they might be amended not to face a conflict between national laws and EU regulations. The regulations are the most powerful instructions in the EU regulation system.

Directive

Directives are instructions that all member states have to consider in their national legislation processes. The member states are free to decide how to implement the directives into their own laws. Directives aim to ensure a standard quality and safety of products around the EU.

EU directives directly show an impact on daily life within the Union's borders. Since the EU gives funds and aids to farmers, it strictly controls the production process in the farming sector and coordinates the sector by directives.

Decisions

Decisions might be given referring to a single member state. It may target some or all member states, communities and even individuals. They are strictly binding for all. For instance the decisions might be used to pass a judgement in a merging

case among certain companies. Decisions aim at clarifying regulations and directives.

Recommendations

Recommendations are not binding for member states, which means that member states are not obliged to follow them. The motivation behind recommendation is to convince the member states to move in the same direction.

Foreign Policy of the EU

The foreign policy of the EU is under responsibility of the High Representative of the Union for Foreign Affairs and Security Policy who is appointed by the European Commission. The Representative also serves as the Vice President of the European Commission. Besides, the EU is represented by the President of European Council at the level of heads of state or governments and international summits (usually alongside with the President of Commission).

The European Union External Action (EUEA) serves as a diplomatic service and foreign ministry on behalf of the EU. It operates under the High Representative of the Union for Foreign Affairs and Security Policy and consists of specialized personnel that are transferred from the Council, member states and the European Commission.

The Council of the European Union takes decisions and develops policies in the foreign policy and security affairs. These activities are carried out within the limits determined by the European Council. On the other hand, European Commission is responsible for commercial and humanitarian aid aimed at non EU countries. The Commission represents the EU in all areas of activity except foreign and security policy affairs.



Figure 6.4



your turn ¹

Comment on the concept of “supremacy” of EU law. What does this doctrine suggest in cases of conflicts between national legal system of the member states and the EU law?

ALADI - THE LATIN AMERICAN INTEGRATION ASSOCIATION

The Latin American Free Trade Association (LAFTA) was created through 1960 dated Montevideo Treaty, signed by Argentina, Brazil, Chile, Mexico, Paraguay, Peru and Uruguay. The founders aimed at forming a common market in Latin America and proposed tariff reductions among the member states. It came into effect in 1962 whose main goal was to remove all duties and restrictions on trading activities between each other in 12 years. However, the agreement has important restrictions. For instance, it only includes the goods but not the services. On the other hand, it does not suggest coordination of policies. When compared to the European Union, economic and political integration was limited. In 1970, LAFTA included four other Latin American nations which are Bolivia, Columbia, Ecuador and Venezuela.

ALADI is the ultimate phase of an integration process started in the late 1950s. The initial stage was the foundation of the Latin American Free Trade Association (LAFTA) in 1960 which failed to satisfy the expectations. The motivation behind forming such association was promoting economic activities following the destruction of World War II. The idea was alike European Economic Community which was founded 2 years before LAFTA in Western Europe. It foresaw a system where a country is obliged to extend any economic concession towards a particular country to other member states. LAFTA aimed at developing a common market in Latin America, however it never achieved its goal due to insufficient mechanisms to overcome political and economic indifferences.

In 1980, LAFTA reorganized and turned into Latin American Integration Association (ALADI).

It's main focus was maintaining the economic and social development of the Latin American region by regional specialization and attraction to new investment to the region. The motivation was “the gradual and progressive formation of a Latin American common market.”

ALADI did not eliminate tariffs among the member countries but it brought preferential tariff reductions. The treaty brought an important option such as conducting bilateral agreements or signing agreements between more than two countries. By this way the commitments for a country stopped being a problem. By the help of the new flexible method, a country may sign an agreement with another country or a group of countries, and it is not a must to extend such agreement to all members of ALADI. In other words, countries gained to grant privileges towards particular states. The new system led a considerable enhancement in the number of agreements signed among member countries of ALADI.

Today ALADI has 13 members and all of them are located in the South American continent. After its foundation by Argentina, Brazil, Chile, Mexico, Panama, Paraguay, Peru, Uruguay, the enlargement took place towards other countries in the region. Bolivia, Colombia, Ecuador, and Venezuela became members in the next several years. Cuba joined ALADI in 1999 and Panama took its place in 2012. The negotiations with Nicaragua still continue. The headquarters of ALADI are based in Montevideo, Uruguay. The member states of ALADI contain an area of 35,262 million km² that is approximately five times bigger than the European Union with a population of nearly 530 million residents. The economic size of the mentioned area is approximately USD 23 billion.

On the other hand, ALADI divided the member states into three according to their level of development. Less developed members benefit from greater tariff preferences and various advantages.



Figure 6.5

Governance

There are various mechanisms within ALADI to promote economic integration such as regional tariff preference, regional scope agreements, partial scope agreements, trade agreements, economic complementation agreements, agricultural agreements, and trade promotion agreements. The bodies of ALADI are The Council of Ministers of Foreign Affairs, The Evaluation and Convergence Conference, The Committee of Representatives and Secretariat.

The Council of Ministers of Foreign Affairs

It is the supreme body which issues general rules for the integration process. It examines the results of the tasks carried out by the Association. The Council adopts corrective measures after considering the recommendations of the Evaluation and Convergence Conference. It determines the guide lines to be followed by other bodies of the Association. The authority to accept new member is exercised by the Council. It may adopt amendments on the Treaty and has the power to appoint the Secretary-General. As its name offers, the Council is made up of the foreign ministers of the member countries.

The Evaluation and Convergence Conference

The Conference is responsible for examining the integration process and making recommendations to the Council to take corrective measures. It promotes broader economic integration and evaluates the results of the system. It carries out multilateral negotiations to determine and deepen the regional tariff preference. It fulfills its duties entrusted by the Council. The Conference conducts regular meetings in every three years at the request of the Committee. It may also gather at other times in extraordinary session. The Conference conducts its meetings and takes its decisions with the presence of all member countries. To take a decision, two thirds of the member countries should vote in the same direction.

The Committee of Representatives

The Committee is the permanent body of the Association which conducts meetings at least once a year. It gives continuity to the activities of the new integration process, evaluates and guides the operation of the process. It accomplishes the tasks assigned by the Council and the Conference. It adopts annual work program, annual budget and determines the contributions of member countries to the Association budget. The Committee also represents the Association before third parties. It prepares reports to submit to the Council. The Committee is composed of the Permanent Representatives from each member countries. All Permanent Representatives have equal voting rights. The Committee takes decisions and adopts resolutions with two thirds of the member countries' representatives.

The Secretariat

The Secretariat is led by the Secretary General and consists of technical and administrative personnel. The Secretary General is appointed by the Council for a 3-year term and may be re-elected for a second term. The current Secretary General is Alejandro de la Peña Navarrete, a former Mexican diplomat, who came to office by the Memorandum of Understanding on 27 October 2017, signed at the headquarters of ALADI in Montevideo, Uruguay.

The Secretariat prepares recommendations for other Association bodies through the Committee. It carries out necessary studies to fulfill its technical duties assigned by the Council, the Conference and the Committee. It also conducts other activities in the annual work program. The Secretariat prepares and presents the draft annual programs and annual reports on the results of application of present Treaty to the Committee. Moreover, the Secretariat may propose to form auxiliary bodies to the Committee.

Today, 70% of the trading activities among the ALADI member states are free from tariffs. In Brazil's case, the free trade corresponds to 75% of its exports and 90% of its imports. It is predicted that in 2019 the South America continent will turn to a totally free trade area.



your turn ²

In the emerging process of ALADI, there were opposite views coming from members regarding the scope of the organization. What were the main motivations of the adverse opinions?

ANDEAN COMMUNITY

Andean Community is a trade bloc which aims at forming a customs union among the South American countries of Bolivia, Colombia, Ecuador and Peru. By 2018, the Community has approximately 450 million of population in 17,829,100 square kilometers with a combined GDP (sum of GDP's of all members) of USD 608 billion USD.

Initially, the economies of Andean member countries, Colombia, Venezuela, Peru, Ecuador, Bolivia and Chile, were mostly based on agricultural output and raw materials. While these countries lacked in industrialization, they used to lean on imported manufactured goods from the U.S. and Europe. They started an integration process to break through in economic terms and gradually formed the Andean Community.

The Cartagena Agreement which formed The Andean Pact in 1969 suggests a closed economic system among the member states where they are granted certain economic and tariff privileges. However, in the following decades, Andean integration underwent a set of structural changes. The closed economy system, which aimed at inward integration based on the import substitution model, left its place to open regionalism. These changes were accomplished by the direct interventions of the Presidents of the member countries to reach the main objectives set by the Cartagena Agreement. The main objectives are the liberalization of trade in goods in the subregion, the adoption of a common external tariff, and the harmonization of foreign trade instruments and policies and economic policy.

According to Cartagena Agreement, also known as the Andean Pact, the main purpose is to promote the balanced and harmonious development of the

member states. Accelerating the growth of the Andean countries and creation of jobs, facilitating participation in the regional integration process with the aim of gradually creating a Latin American common market, helping to reduce the external vulnerability of the member countries and improve their position in the international economic context, strengthening subregional solidarity and reducing the differences in development that exist among the member states, defining social policies oriented toward improving the quality of life of different subregional groups and improving their access to the benefits of development are other purposes in the same direction.

The founder countries of the Pact are Bolivia, Colombia, Ecuador, Peru and Chile. Venezuela became the sixth member in 1973; however, it withdrew from Andean Community in 2006 when Colombia and Peru signed Free Trade Agreements with the USA. Likewise, Chile withdrew from the organization in 1976 by showing economic incompatibilities which decreased the number of member states to four.

On the other hand, the Community decided to form a cooperation with another regional organization, Mercosur which led emerging of new associate members such as Argentina, Brazil, Uruguay and Paraguay. The cooperation suggests a free trade agreement between Andean and each of the Mercosur member states. Spain holds an observer status in the Community. The headquarters of Andean Community is based in Lima, Peru.

When the member countries' economies stagnated during 1980s, activities stopped for a while. The pact continued its activities and turned into the Andean Community which evolved the closed economic system into an open one. On the other hand, Peru suspended its membership in 1992 but rejoined the Community in 1997.

In 1991, the Andean Presidential Council approved open skies policy among the member states which suggests the liberalization of rules and regulations of the international aviation.

In 1993, four members except Peru established a free trade area, but two years later, members reached a consensus on external tariffs that ended up with emergence of Common External Tariff. The organization took its ultimate name in 1996 with

the Protocol of Trujillo which changed the existing name, Andean Pact to Andean Community. At the same year a General Secretariat was emerged to give political insight and direction to the integration process. In 2006, the Andean Free Trade Area became entirely operational after Peru fully joined.

Andean Community produced an Andean passport in June 2001 which is valid in Ecuador, Peru, Bolivia and Colombia. By 2005, citizens of the Andean Community members gained the right to enter other countries without a visa. To travel among the member countries, showing national ID cards is adequate.



Figure 6.6

Governance

Andean Community consists of various bodies which aim at encouraging further integration among the member states. Andean Integration System (SAI) is the structure that connects and suggests various bodies to work harmoniously. These are: Andean Presidential Council, Andean Council of Foreign Ministers, Commission Headquarters, Andean Court of Justice, Andean Parliament and Latin American Reserve Fund. The Community also founded a higher education institution with the name of Simón Bolívar Andean University. The

secretary general of the Community is Walker San Miguel Rodriguez, a former minister of National Defence in Bolivia. The General Secretariat is the main executive body of the organization.

The Andean Presidential Council

The Council is the supreme body of the Andean Integration System and consists of the heads of state of the member states of Andean Community. It determines the guidelines on Andean integration, which must be performed by other bodies and institutions. The Council defines the Andean subregional integration policy and guides the actions of the Community. It evaluates the development and results of Andean integration efforts. It issues opinions on reports, initiatives and recommendations that are submitted to itself by other bodies. The Council meets once a year periodically mostly in the country that chairs the Council for the time. In the meetings the proceedings of bodies and institutions are reviewed and evaluated based on their projects, programs and suggestions. The Chairman of the Andean Presidential Council is Community's top political representative who takes office for a year. The chairman seat is filled rotatively in alphabetical order by each of the member states. The Chairman heads the regular and special meetings of the Council and represents the Council and the Andean Community at the international level. It is also his/her duty to ensure that guidelines determined in Council are performed by other bodies of the Community.



Figure 6.7 Celebration of the 42nd Anniversary of the Subscription of the Cartagena Agreement

Andean Council of Foreign Ministers

The Andean Council of Foreign Ministers involves the Ministers of Foreign Affairs of the member states. The duties of the Andean Council of Foreign Ministers are to develop member states' foreign policy regarding the subregional interest, as well as to supervise and coordinate the external efforts of different bodies. It performs the guidelines given to it by the Andean Presidential Council and ensures the implementation of these. It signs agreements with the third parties and coordinates the common position of member states in international platforms and negotiations within the scope of its authority. It represents the Andean Community by staying in its own area of responsibility. The Council proposes or adopts measures related to its sphere that would ensure the accomplishment of goals and objectives of Cartagena Agreement. It expresses itself through Declarations and Decisions that are adopted by consensus. The foreign ministers meet periodically twice a year, mostly in the country that chairs the Council for the time. In a similar manner, the meetings are headed by the Foreign Minister of the member state that chairs the Community.

The Andean Community Commission

The Commission is the principal policy developing body of the organization. It consists of representatives from each member state. The Commission expresses itself through Decisions. The Commission carries out and evaluates the integration policy in the area of trade, investment. It coordinates with the Andean Council of Foreign Ministers when it is necessary. The Commission approves, rejects or amends the proposals presented to it by the member states, individually, collectively or by the General Secretariat. It represents the Andean Community in its area of responsibility. The Commission has the authority to approve the annual budget and evaluate the budgetary performance of the General Secretariat and the Andean Community Court of Justice. The Chairman of the Commission, who is the

representative of the member state that chairs the Community for the time, holds office for a 1-year term. The Commission meets three times a year and could meet upon the request of any member state or General Secretariat.

Other Bodies

The Andean Parliament involves members of the national legislature representatives from the member states. The members of the parliaments are elected by the legislative parties of the signatory countries. Each member state has 5 representatives in the Andean Parliament. This organ operates as an advisory body and is located in Bogotá city of Colombia. Andean Court of Justice, which is located in Ecuador, aims at resolving the conflicts among the member countries. Whereas Latin American Development Bank consists of 18 Latin American and Caribbean members. However, this financial organ is the primary source of Andean members, granting almost half of their economic requirements. The annual amount of credit granted to member states is over USD 2 million which is used in regional integration projects and financing of international commerce of companies, banks and government projects. It is located in Caracas, Venezuela. The Bank suggests closer economic relations by promoting trade and investment among the member countries. The Court of Justice of the Andean Community is the judicial body of the organization.



your turn ³

Discuss the major transformation of ANDEAN Community passed through since its foundation.

EURASEC - EURASIAN ECONOMIC COMMUNITY



Figure 6.8

The Eurasian Economic Community (EAEC or EurAsEC) is a regional organization which aims at forming a Customs Union, Common Economic Space among the member states and coordinate the actions of member states' integration into the world economy. It is primarily based in northern Eurasia. It focuses on enhancing the integration in economic and social realms.

In 1994, the President of Kazakhstan, Nursultan Nazarbayev, initially proposed the idea of forming a "Eurasian Union" in his speech at Moscow State University. Since then numerous treaties were signed to establish the trading bloc. It was created based on the Treaty of Establishment of the Eurasian Economic Community, signed by the presidents of Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan in Astana city of Kazakhstan on October 10, 2000. In January 2006 Uzbekistan joined the Eurasec; however, two years later, in 2008, it suspended its presence in Eurasec's governing bodies.

In May 2002 Moldova and Ukraine gained observer status at the Community, and in April 2003 the same status was granted to Armenia. The observer states may attend the meetings of Euras, however, they can not access documents or resolutions taken by related bodies and have no voting right. Eurasec is not a close organization. Any state that fulfills and commits the requirements codified in the Treaty on the Establishment of Eurasec and other treaties in force, may become a member by a resolution of the Eurasec Interstate Council. In a similar manner, the status of Eurasec observer may be given to a state or to an international organization on request.

The organization, which has a legal entity, was founded in harmony with the United Nations principles and the international law. The Community and its officials practice certain privileges and immunities to conduct their activities within the scope of Treaty of Establishment of Eurasec and other treaties effective in the Community. Since 2003, Eurasec has a status of observer at the UN General Assembly. The headquarters of the Community are located in various cities: Almaty, Minsk, Moscow and St. Petersburg. The secretary general of the organization is Tair Mansurov, a former ambassador of Kazakhstan to Russia. The citizens of the member states are granted to move freely to other states.

The Eurasian Economic Community covers a territory of 20.374 million square km with about 180 million of inhabitants which coincides almost 2,7 % of the world population. The mentioned area produces 3,5 % of the global GDP. Eurasec countries have rich resources of minerals and raw materials such as industrial uranium, raw diamonds, platinumoids, gold, silver, zirconium, rare metals, rare-earth elements.

Community states controlled almost 9 % of prospected oil resources worldwide, 25 % of gas and 23 % of coal whereas their share in the generation of electrical energy in world is about 5,5 %

Eurasec member states are the main exporters of mineral resources and metals worldwide and play an essential role in exporting oil, gas, chrome and manganese resources, aluminium, nickel and copper, platinumoids and raw diamonds.

Main goal of the Community is to accomplish forming a free trade regime, a unified customs tariff and a unified system of non-tariff regulations measures. Within this understanding, the Community aims at assuring free movement of capital, emerging a common financial market, coordinating the process for transition to passing to a common currency, setting up common rules and procedures for trading activities and their access to each others' internal market, forming a common unified system for customs regulation, developing and adopting interstate programs in economic sphere, assuring fair conditions for industrial and entrepreneurial activities, forming a unified transport system among the member countries.

Besides these, setting up a unified energy market, forming fair conditions for the foreign investors targeting the member states, guaranteeing free movement of the residents of the member states within the Community, organising social policies to form a common labour market, unified educational, legal, health and migration systems are the goals among the Community's agenda.

In line with the objectives of the Community, in a 3 years period from 2007 to 2010, Belarus, Kazakhstan and Russia formed a Customs Union among themselves and they are working on further integration to constitute a Eurasec Common Economic Space that other states would join when they are ready. The Common Economic Space suggests further integration such as unifying the legal base of the countries, existing a common infrastructure, coordinate taxation, finance, currency policies and ensuring free movements of goods, services, capital, and labor.

Governance

All bodies within the Eurasec perform their duties in harmony with the Treaty on the Eurasian Economic Commission and the international agreements that are base for the Customs Union and Single Economic Space. The bodies of the Eurasian Economic Community are Interstate Council, Integration Committee, Commission of Permanent Representatives, Integration Committee Secretariat, Interparliamentary Assembly, Interparliamentary Assembly Bureau, Community Court of Justice.

Interstate Council

It is the supreme body of the Eurasian Economic Community. The Council consists of the leaders of the member states. This Council evaluates the common principles in Community activities that have impact on member states, determine the strategies, directions for further integration. It takes decisions that purpose executing Eurasec goals and objectives. The Chairmanship of the Interstate Council is exercised rotatory by each member state of the Community, in Russian alphabetical order. The period of chairmanship is one year. These resolutions are implemented by the adoption of the necessary national normative legal

acts. The Interstate Council takes all of its decisions and approves resolutions by unanimous vote.

The Interstate Council approves resolutions on the undermentioned issues, regulation of common trade terms among the member states, unified customs policy of the Community related to the third parties, unification of customs regulations and procedure within the Community, harmonisation of the national legislation of member states.

The Interstate Council also gives assignments for the Integration Committee, addresses questions and recommendations to the EurAsEC Interparliamentary Assembly and the Court of Justice of the Community.

Integration Committee

The Committee is a standing body of the Eurasian Economic Community which accounts for the Eurasec Interstate Council. The Integration Committee consists of the deputy heads of the governments of member states.

Integration Committee evaluates the issues of integration; it adopts resolutions by staying within the limits of its authority. In the same manner with the Interstate Council, The Chairmanship of the Integration Committee is exercised rotatory by each member state of the Community, in Russian alphabetical order. The period of chairmanship shifts to the next member state at the end of the year.

It evaluates the status and development trends of the integration processes in the Community, submits draft proposals of resolutions to Interstate Council for further integration and coordination of the customs policies. While it develops interstate investment projects in the economic, social realms, it also makes plans to take measures among the member states. It prepares proposals on granting an observer status to a state or international organization in Eurasec. When it is charged by the Interstate Council, it represents the Community at other international entities. It controls implementation of resolutions issued by the Interstate Council and the adoption of existing treaties. It also checks over the implementation of the Eurasec budget.

The Integration Committee shall take its decisions by a two-thirds' majority of votes. Where

four contracting Parties vote in favour of a decision, but there is still no two thirds majority, the issue is brought to the Interstate Council.



Figure 6.9 Eurasian Economic Community Education Committee Meeting, 6 October, 2011, Astana

Commission of Permanent Representatives

The Eurasec Commission of Permanent Representatives is made up of representatives appointed by the leaders of the member states. These representatives function as ambassadors of their countries at Eurasec.

The commission coordinates and reconciles the member states' positions on such issues as strengthening cooperation and enhancing integration within the Eurasian Economic Community. It maintains interaction between the Community and appropriate bodies, institutions and organizations of the Community member states while also reviewing of positions and proposals of the Community member states on questions pertaining to cooperation and draft documents introduced at the meetings of the Eurasec Integration Committee. It also questions pertaining to the current work of the Community and resolutions taken according to them, examines proposals and inquiries received by the Community from the states with observer status, as well as from third party states and international organizations.

Integration Committee Secretariat

The Secretariat gives informational and technical support to the Interstate Council and the Integration Committee. The Secretariat is headed

by the Secretary General, who gets appointed by the Eurasec Interstate Council and performs as the supreme administrative body of the Community. The duties of the Secretariat are organising the development of draft documents and programmes to consolidate the integration processes, preparing and approving draft resolutions issued by the Interstate Council, Integration Committee and Commission of Permanent Representatives, evaluating the progress in adopting resolutions of Eurasec bodies and treaties signed within the Community. It presents information on the issues under consideration to the meetings of the Integration Committee. The Secretariat is based in Almaty and Moscow. Its structure and number of personnel are determined by the Interstate Council resolution. The duties of its divisions and personnel distribution are also determined by the resolutions of the Integration Committee.

Interparliamentary Assembly

The Interparliamentary Assembly of the Eurasian Economic Community (Eurasec IPA) is the body of parliamentary collaboration within the scope of the Eurasian Economic Community.

The Eurasec IPA does consist of deputies delegated by the each of the parliaments of Eurasec member states. The number of seats in parliamentary delegations at the IPA are: Belarus – 16 seats; Kazakhstan – 16 seats; Kyrgyzstan – 8 seats; Russian Federation – 42 seats; Tajikistan – 8 seats. The Chairman of the Assembly and his deputies are elected in a meeting of the IPA from the ranks of heads of parliaments of Community member states. The aims of the IPA are to form a legal base for the operation of the Eurasian Economic Community and harmonisation of the national legislations of Community member states, adjusting them with treaties that are in force within Eurasec for accomplishing the purposes of the Community.

Assembly aims at forming a coordinated Eurasec legal policy, coordination of legislative activities of the national parliaments to accomplish goals and objectives of Eurasec, assisting in forming organisational and legal conditions for harmonizing national legal codes of Community member states with treaties of Eurasec and organisation of interparliamentary cooperation.

Community Court of Justice

The Community Court of Justice is tasked with settling disputes of the Parties in economic sphere related to the implementation of resolutions adopted by Eurasec bodies and treaties that are in force within the Community. The Eurasec Court of Justice began its operation on January, 1, 2012.



your turn ⁴

What is the main difference in governance between Eurasec and European Union? How is this difference reflected in the decision making process?

NAFTA - THE NORTH AMERICAN FREE TRADE AGREEMENT

Before NAFTA was signed, Canada and the United States were already developed economies and liberal democracies whereas Mexico had neither of these characteristics.

Following the World War II, Mexico started to apply protectionist policies in economy and adopted import-substitution industrialization policy, contrary to the export oriented growth approach. Mexico's policies aimed at gaining independence from American hegemony and promote domestic industrialization by means of statist and corporatist policies. However these economic policies caused a boomerang effect and Mexico faced a triple-digit inflation in 1980s while increasing its international debt. These factors led Mexico to liberalize its economic regime in 1985 and eliminate the protectionist policies. However, the wages in Mexico were still well below the levels in United States and Canada just before NAFTA was signed. The incompatibility between the wage levels caused criticisms towards a cooperation between Mexico and the U.S. The American business circles and union groups worried that massive job opportunities and investments would be lost to Mexico due to attraction of low level of wages and low costs from investors' perspective.



Figure 6.10

Mexico had to liberalize its economic regime as NAFTA suggested, contrary to the times where the leaders used to control and distribute state revenues without any external impact. On the other hand, the differences between the U.S. and Canada were quite small when compared to Mexico. Both states were liberal democracies and open economies. Although there were solid barriers to form a regional cooperation in North America, the political leaders insisted to reach a consensus realizing the potential benefits of integration.

The first step was taken by the President of the United States, Ronald Reagan, who proposed a "North American Agreement" to constitute a regional cooperation where he argued that common market was the future aim. In the 1980s, Mexico remained indifferent to the proposal where Canada and U.S. came closer and signed a set of agreements which ended up with signing of Canada-U.S. Free Trade Agreement in 1988. Following the agreement, Mexico was mobilized and declared that it would start negotiating for a regional cooperation which caused the beginning of NAFTA talks.

NAFTA was actually a free trade agreement, however, it functioned as a base for further integration. Initially U.S. President Bill Clinton insisted to implement environmental and labour protection related term to the agreement in order to show the American society that in case of signing a treaty, Mexico would not harm these two spheres. Thereby, NAFTA with its additional accords on labor and environment, was signed in 1993 and came into force by the 1st January, 1994.

The negotiations regarding forming the NAFTA were triggered in the term of George H. W. Bush

(father Bush) in March, 1991. Following fast-track negotiations, the main text of NAFTA was discussed throughout 1991 and 1992 by the leaders of three nations and signed in 1992 December. Bill Clinton, who came to office in U.S., called for additional discussion regarding environmental and labor rights that started in March 1993 and completed in August of the same year. Clinton signed the NAFTA Implementation Act on December, 8, 1993. Following the ratifications of the U.S., Canada and Mexico, the agreement came into force on 1st January, 1994.

NAFTA gradually removed most tariffs and other barriers on trading products and services among the United States, Canada and Mexico. The pact formed a free trade block among the three members. It guarantees a duty free access for a wide range of manufactured goods and commodities among the members. The goods that are imported by a NAFTA country from another, are regarded as “national” given such status. By this way, no administration, local or provincial government has a chance to impose any kind of tax on such goods.

NAFTA also aims at guaranteeing intellectual property rights among the member countries to avoid industrial theft. It also gives right to individual investors to sue any member state in case of a violation of the treaty. Besides the free trade agreement, additional agreements were signed in the labour market and environmental spheres.

NAFTA was influenced by the accomplishments of the European Economic Community that operated between 1957 and 1993 which accomplished removing tariffs to promote trade among its members. Supporters of such an idea claimed that forming a free trade area in North Africa would bring prosperity and wealth through enhancement of trade and production which would lead to the creation of jobs in all three sides. NAFTA has changed the political landscape in North America by forming a firm framework of free trade and economic cooperation by conducting economic transactions in a transparent and secure way in the region. The political institutions were also developed to perform these transactions. This functionalist process has been called as the “Europeanization” of North America since technical harmonization and domestic impacts caused demand for further institutionalization.

Beyond a typical trade agreement, NAFTA involves a competition law, intellectual property, investment, and government procurement. By implementing these factors, which required sacrifice from national sovereignty to a certain limit, NAFTA gained a supranational feature.

NAFTA's impacts can also be seen in political sphere. Leaders of the three partner countries collaborated on a wide range of issues from terrorism, mostly after the terrorist attacks in 2001, to NAFTA superhighway running from Canada to Mexico. It is apparent that, when compared to post World War II period, regional cooperation with Mexico was grown dramatically.

Another impact of NAFTA has been the model it provided for the Latin America continent. Central America, Chile and the Caribbean have signed free trade agreements with NAFTA. This gave rise to relatively poor countries in Latin America a roadmap for development and democratization to a certain limit. These countries had to open their economies when they gained access to larger markets which paved the way for political development and accountability.

If one day, the dream of Mexican President Vicente Fox comes true, NAFTA would gain a more comprehensive dimension. The vision of Fox is beyond the free movement of goods and services but also free movement of citizens. Fox suggests a community of nations or a North African common market where a common currency is used and unified long term fiscal policies are implemented in a period of 20-40 years.

However, when 45th President of the U.S., Donald Trump, took office, he revealed his negative approach to NAFTA. On May 18, 2017, Donald Trump Administration sent a 90-day notification to the Congress of his demand of renegotiating NAFTA with Canada and Mexico as 2015 Trade Promotion Authority suggests. Trump Administration also started to consult with the Members of Congress on the scope of negotiations. Besides, President Trump several times gave signals that the U.S. may withdraw from the agreement in case of unsatisfactory results came out from negotiations. On the other hand, Mexico claimed, if NAFTA is to be renegotiated, security, counter-narcotics and transmigration issues should also be

covered in the talks. In a similar manner with the U.S., Mexico also stated that it may withdraw from the agreement in case negotiations do not result favorable to itself.



Figure 6.11

Criticisms

Besides the positive sides of NAFTA, there are some circles looking from a negative perspective. Accordingly, NAFTA is leading a “deindustrialization” in the U.S. due to the fact that manufacturing oriented jobs migrate to Mexico. Besides, NAFTA is criticized by turning Mexico into an import oriented state where American goods dominate the Mexican market. The reaction focuses on impoverishment of rural regions where cheap subsidized American imports eliminate local Mexican producers. Moreover in Canada, the main criticism is the cultural hegemony of the United States and the American impact on Canadian media companies. These criticisms show that regional organizations come with costs and benefits.

The critics also argue that multinational corporations would seek to enhance their profits at the expense of the ordinary citizens such as personnel and consumers. Opposition elements claim that rules imposed by NAFTA may undermine locally elected governments by forbidding them from passing laws and regulations to protect the public interest. Moreover, it is argued that NAFTA would show negative impact in environmental and health standards, encourage the privatization and deregulation of main public services and eliminate family farmers in partner countries.

Structure

NAFTA’s structure of governance is simple and its agreements created various bodies in three general categories: ones that are emerged within NAFTA, ones emerged by trilateral agreements between United States, Canada and Mexico and lastly those emerged by a bilateral agreement between the United States and Mexico. The agreements suggest an organizational structure headed by a commission or board of directors consists of government ministers from member states to execute the terms of the agreements. NAFTA’s structure of governance is simple and based mainly on two bodies that are Free Trade Commission and the Secretariat.

Free Trade Commission (FTC)

The Free Trade Commission, designated by NAFTA to supervise the implementation of the agreement has no permanent location or personnel and conducts its meeting in three member countries rotatively.

The Free Trade Commission is the supreme body of NAFTA which supervises NAFTA’s performance and evolution. It also aims at settlement of disputes. The Commission involves the U.S. Trade Representative, the Canadian Minister for International Trade and the Mexican Secretary of Commerce and Industrial Development. The daily activities of FTC are conducted by expert working groups and committees. This authority was given to Free Trade Commission to oversee, resolve and supervise the work of all committees and working groups founded under NAFTA.

FTC also exercises power to establish, delegate, seek advice of nongovernmental groups and take action. The authority of FTC can be based on three branches that are technical, specific and obligatory. The FTC functions by consensus and has no authority to amend NAFTA rules and regulations.

The Secretariat

The Secretariat functions as an administrator for the Free Trade Council and it is organized on a national basis, with each of the three partners. The Secretariat is located in various locations. It is made up of the permanent national section offices based in Mexico City, Ottawa and Washington

each headed by a Secretary appointed by the government of partner country. The partner states are responsible from supporting and funding their own personnel. Operationally, the secretariat assists and supports the FTC, by its dispute panels, committees, and working groups. The aim of the Secretariat is resolving trade disputes between national industries and governments based on NAFTA mechanisms. When the Free Trade Council charges the Secretariat by administrating a trade dispute panel, it should perform accordingly. In other words, Secretariat is not able to operate independently, but it implements the decisions taken by the Free Trade Council.

The national secretariats are complemented by a NAFTA Coordinating Secretariat located in Mexico. It was constituted on 14th of January, 1995. The main goal of the central secretariat is to support and assist labor and environmental issues that fall under NAFTA.

Other Bodies

The Commission for Environmental Cooperation is a trilateral body emerged by the North American Agreement on Environmental Cooperation. It is based in Montreal city of Canada.

The Commission for Labor Cooperation is a trilateral body emerged by the North American Agreement on Labor Cooperation which is based in Dallas city of the USA.

The board of directors of the Border Environment Cooperation Commission was created by a bilateral agreement between the United States and Mexico. It is based in Ciudad Juarez city of Mexico.

The Board of the North American Development Bank (NADBank) was created by a bilateral agreement between the United States and Mexico. It is located in San Antonio, Texas, USA.



your turn ⁵

Considering that Mexico was an undeveloped country, a nondemocracy and that the United States had already signed a treaty with Canada, what would be the main motivation of the United States to extend such an agreement with Mexico?

MERCOSUR – COMMON MARKET OF THE SOUTH

MERCOSUR, *Mercado Común del Sur* in Spanish or Common Market of the South, is a trading and political bloc of currently 5 countries in South America: Argentina, Bolivia, Brazil, Paraguay and Uruguay.

All member states form a total area of 13.8 million km square and a population of almost 300 million with a collective GDP estimated USD 3,5 trillion.

It is a process of regional integration put into action by Argentina, Brazil, Paraguay and Uruguay in 1991 with the signing of Treaty of Asunción, which was modified by 1994 Protocol of Ouro Preto. MERCOSUR was created in an atmosphere where longtime rivals, Argentina and Brazil, were aiming at developing bilateral relations. Today the old rivals operate together forming % 95 of both the bloc's GDP and population. For some critics, Mercosur functions as a trade shield for Brazil and Argentina which secures them from international competition. The bloc accomplished considerable success and enlarged the trade volume among the members ten times in the 1990s. Nevertheless, there is the criticism that MERCOSUR could not able to integrate the region in real sense. There are also doubts on the bloc's commitment to democracy. Paraguay, whose membership was suspended in 2012, and Venezuela, who was suspended indefinitely in 2016 for violations of the rules of democracy, showed the different points of view within the bloc regarding democracy. Lastly, Bolivia adhered to Mercosur in 2015.



Figure 6.12

MERCOSUR was created in 1991 aiming at forming a Common Market, which suggests free circulation of goods, services and factors of production among member states. Besides, it aimed at establishing a common external tariff and adoption of a unified trade policy towards

third parties, coordination of macroeconomic and sectoral policies and commitment to harmonizing legislations in pertinent areas.

MERCOSUR members target forming a common market as in the case of European Union and even consider at passing a common currency as Argentina's President at the time, Carlos Menem, suggested in 1998. The citizens of the member countries are able to live and work anywhere within the bloc. In 1994, the member states signed the Protocol of Ouro Preto which officially determined its status as a customs union. By the Protocol of Ouro Preto, MERCOSUR became an international organization with a legal entity under international law. In 1994, the four members formed a free trade area among themselves where they reached a consensus on a common external tariff (CET) by 1995.

Venezuela joined Mercosur in 2012 as the fifth full member, however it was suspended at the end of 2016. The founder four have a combined gross domestic products (GDP) of almost USD 2,9 trillion, that makes it one of the world's largest economic blocs coming after NAFTA and EU.

The relatively small members concern about the Brazilian dominance in MERCOSUR. Besides that, many Paraguayans argue that their culture is gradually going under Brazilian domination. On the other hand, other MERCOSUR member are not satisfied with the fact that the U.S. and Paraguay cooperate in the securitywise issues. Former U.S. Secretary of Defense, Donald Rumsfeld's visit to Paraguay in 2005 caught criticism of Bolivia since it fought a war with Paraguay between 1923 and 1935. In a similar manner, Brazil was not pleased as it was expressed by Brazil's Foreign Minister at the time who argued that Paraguay should make its choice between MERCOSUR and other potential partners implying the U.S.

On the other hand, Chile, Colombia, Ecuador, Guyana, Peru, and Suriname are the associate members of MERCOSUR. In other words, all ALADI members are associates of MERCOSUR in addition to Guyana and Suriname. Since MERCOSUR conducted free trade agreements with associate members, they enjoy certain tariff reductions in their trading activities with MERCOSUR full members. However, they do not have voting right or free access to national markets of full members.

Structure

The Protocol of Ouro Preto established three decision making bodies: are the Common Market Council (CMC), the Common Market Group (GMC) and the MERCOSUR Trade Commission (CCM). A set of subordinate bodies are dependent on these three main bodies. Moreover, the Protocol of Ouro Preto created other bodies of representative and consulting nature such as the Joint Parliamentary Commission, which later replaced by the MERCOSUR Parliament and the Economic and Social Consulting Forum. The logistic and technical support oriented body is the MERCOSUR Secretariat. Besides these, a trade commission, a parliament also known as Parlasur, which functions as an advisory role, and the Structural Convergence Fund that coordinates the regional infrastructure projects were established.

Common Market Council (CMC)

The primary body of MERCOSUR is the Common Market Council which consists of member states' ministers of foreign affairs and finance. It is a high level platform for coordinating foreign and economic policies. The presidency of the group rotates in every six months among the member states.

It takes the decisions to guarantee the enforcement of MERCOSUR's rules and objectives. It is integrated with the Foreign Relations and Economy Ministries of each member state. The Council gathers whenever it is necessary but not less than once a year with the participation of all Presidents of the member states. The Chairmanship of the Council rotates among the member states in alphabetical order, for a six-month period. The Council fosters necessary actions for the constitution of MERCOSUR. It holds Mercosul's legal personality. The Council is responsible for negotiating and signing the agreements with the third parties on behalf of MERCOSUR. It has the authority to delegate same function to the Common Market Group in particular cases. It may create additional bodies if necessary and indicates the director of Mercosul's Administrative Secretary. It evaluates the proposals brought by the Common Market Group and takes decisions on economic matters.

Common Market Group (GMC)

It is the superior executive organ of MERCOSUR. GMC is made up of four nominal members and four alternates that represent the Foreign Relations Ministry, the Economy Ministry and the Central Bank of each member state. It gathers periodically once in every three months.

Among the duties of GMC are observing MERCOSUR's activities within the limits of its authority, proposing decision projects to the Common Market Council, determining working programs that assure the progress of the Common Market settlement. It creates bodies, such as working subgroups and conducts specialized meetings for the fulfillment of its objectives. It approves the budget and the annual account presented by the Administrative Secretary and takes decisions on financial matters based on its chagement by the Common Market Council. The GMC organizes the Common Market meetings and prepare requested reports. It also elects and supervises the activities of the Director of the Administrative Secretary of Mercosul.

Trade Commission (CCM)

It is made of four nominal members and four alternates of each member state, all coordinated by the Foreign Relations Ministry. It gathers at least once a month by request of the Common Market Group or of any of the member states. Its main functions are observing the application of the common instruments of the inter-Mercosul commercial policy and its application against the third parties, international entities, establishing the technical committees necessary for the adequate fulfillment of its functions, as well as directing and supervising their activities.

Secretariat

It is based in Montevideo and has its own group of international officers, selected through international public competitive examinations among the citizens of member states. The Secretariat is made up of a Management Office, a Coordination Office and five sectors (Administration, Support, Technical Advisory, Computing and Regulations, Documentation and Dissemination).

It also includes a Technical Unit of International Cooperation, the a Technical Unit of Education. The bodies such as Permanent Review Court, Mercosur Parliament (PARLASUR), the Social Institute of MERCOSUR, the MERCOSUR High Representantive General and Social Participation Support Unit also operate under the MERCOSUR Secretary.

The Secretariat is headed by a Director that is elected by the Common Market Group after consulting to the member states. The Council is responsible for its designation for a 2-year term. The reelection of the Director for a second term is restricted.

The Secretary is responsible for keeping all MERCOSUR's documentation, it publicates and distributes the decisions taken within Mercosur. It organizes meetings of Common Market Council, Common Market Group, Trade Commission while supporting them logistically. Besides this, it fulfills the duties given by the Common Market Council, the Common Market Group and by MERCOSUR's Trade Commission. The secretary prepares its budget upon approval of the Common Market Group and spend accordingly.



Figure 6.13 Secretariat of the MERCOSUR, Montevideo

MERCOSUR and Democracy: Cases of Paraguay and Venezuel

One of the Mercosur's primary goals was to sustain democracy in the region considering the fact that all founding members were transformed from dictatorships in the 1980s. When the members signed the Ushuaia Protocol on Democratic Commitment in 1998, they all agreed that "the full force of democratic institutions is essential" for MERCOSUR members' integration. Besides that, a "rupture in democratic order" would result in suspension of the membership.

MERCOSUR members triggered the protocol in 2012 which ended up with Paraguay's suspension from Mercosur. It was officially claimed that President Fernando Lugo was toppled from the rule unfairly following his opponents blaming him by mishandling a fatal conflict among the farmers and low enforcement. However, the critics of this decision argued that Paraguay's suspension, which was lifted in 2013, was a political move of Brazil. Accordingly, Paraguay's new center right administration was blocking Venezuela's joining the group, and Brazil was inclined to Venezuela's joining the Mercosur. Paraguay's suspension eliminated its authority to veto Venezuela's joining so that it became a member state.

Brazil supported Venezuela's joining to to the Common Market in 2012, arguing that Mercosur's enlargement to a country that has vast hydrocarbon reserves would turn Mercosur into a "global energy power". However, by 2016, decline of oil prices, misdirection of economy, and increasing authoritarian tendencies led Venezuela to find itself in a humanitarian crisis. Nicholas Maduro, the President of Venezuela, faced serious protests that called for his removal from the office. He arrested opposition elements, its leaders and utilized the courts as a tool to weaken the opposition-led congress.

Besides that, Venezuela failed to harmonize with many of MERCOSUR's trading regulations. MERCOSUR suspended Venezuela at the end of 2016 and claimed that Maduro government violates human rights and MERCOSUR's trading rules. In August 2017, the suspension became indefinite. Mauricio Macri, Argentine President, called Venezuela to liberate political prisoners and ensure free and fair presidential election in 2018.

Besides Venezuela, the political atmosphere in Brazil was not smooth due to the corruption investigations opened in 2014 related to hundreds of regions' political and business figures. On the other hand, the commodity prices decreased and misdirection of economy caused recessions in the region. Brazil's economy grew negatively 4 % in 2016 where Venezuela's economy shrank by 19 percent. Argentina was also in recession in 2016 with 2 % where Paraguay and Uruguay, the smaller MERCOSUR members in terms of economy, grew 4 % and 2 % respectively.



your turn ⁶

Considering the commitment of MERCOSUR to democracy and passed taken actions towards antidemocratic movements, how does it balance its scope among economy and democracy? Did the democracy commitment bring economic success?

ASEAN - ASSOCIATION OF SOUTHEAST ASIAN NATIONS



Figure 6.14 National flags of countries member of ASEAN

ASEAN consists of 10 member states with a combined GDP of more than USD 2,55 trillion in 2016, which makes it the world's 6th largest economy if it were a unified nation. The combined population of ASEAN is 635 million which coincides 8,7 % of the world's total population that is the third largest following China and India. It covers a total area of 4,5 million square km.

ASEAN took the place of the Association of South East Asia (ASA), which was formed by the Philippines, Thailand and the Federation of Malaya (Malaysia for the moment) in 1961. It mainly focuses on economic cooperation, encourages trade among ASEAN member countries while also promoting trading activities between ASEAN and the rest of the world. It also suggests joint research and development projects among the member states.

Over the past 50 years, ASEAN functioned as an integrated economic community aiming at increasing Southeast Asia's wealth and prosperity.

ASEAN was founded on 8th August, 1967, when the ministers of the five founding states, Indonesia, Malaysia, the Philippines, Singapore and Thailand, came together in Bangkok and signed the Asean Declaration, also known as Bangkok Declaration. It aimed at accelerating economic growth, social progress, cultural development and promoting peace and security in the Southeast Asia. Brunei joined ASEAN in 1984, who was followed by Vietnam in 1995. Laos and Myanmar became members in 1997, and Cambodia in 1999.

Structure

After a short span of time, the world faced two oil crises while also experiencing a food crisis due to the falling of grain production. These crises motivated ASEAN's five founding members to step up to increase production and secure reliable supplies of basic commodities to support the food producers in the region. On the other hand, institutional development started.

To take concrete measures, the First Asean Economic Ministers Meeting (AEM) took place in November 1975. AEM functions as the primary decision making platform for economic cooperation. During the 1970's, some other instruments were put into action such as ASEAN Committee on Science and Technology (founded in 1978), ASEAN Chambers of Commerce and Industry (founded in 1972), ASEAN Council on Petroleum (founded in 1975), Sub-Committee on Tourism (founded in 1977), Committee on Transportation and Communications (founded in 1977) and ASEAN Swap Arrangement (founded in 1977).

Besides these, the first meeting of the ASEAN Agriculture Ministers took place, and the ASEAN Agreement on Food Security Reserve was signed in 1979. By this way, cooperation was deepened across various sectors, which brought the requirement for an administrative organ that would coordinate, support and monitor the implementation of Asean

projects. For this purpose, the Asean Secretariat, that is based in Jakarta, founded in 1976. It is headed by a secretary-general for a 5-year term. The current Secretary General of Asean is Paduka Lim Jock Hoi, a Bruneian government official. Other than the secretariat, a number of committees including technical committees on finance, agriculture, industry, trade and transportation function along the line of Asean's aims. The committees are complemented by working groups headed by experts and particular organizations from private sector.

The Asean Charter came to force in December 2008, which designates the functioning of various ASEAN bodies. The Chairmanship of Asean rotates annually among the Member States. The same goes for most of the ASEAN bodies.



Figure 6.15

The ASEAN Summit

It is the supreme policy-making body of the organization. It holds its meetings twice a year which gathers Heads of States or Government of ASEAN member countries. The Summit also functions as an international conference where the world leaders attend the related summits and discuss various issues on strengthening cooperation.

The summits bring the heads of states of the Asean member countries together. On the other hand, the foreign ministers gather annually. Asean conducts its relations with other countries by Asean+3, which brings heads of state of Asean members and leaders of China, the Republic of Korea and Japan together in annual meetings. In a similar manner, Asean+6 involves Asean Plus Three and Australia, India, New Zealand. Plus Six, Russia and United States gather around a table.



Figure 6.16 ASEAN2018 Organising Committee, 21st ASEAN Coordinating Council (ACC) Meeting

ASEAN Coordinating Council

It is the secondary body in ASEAN which consists of ASEAN Foreign Ministers. As in the case of ASEAN Summit, the Coordinating Council gathers twice a year. It takes decisions regarding the ASEAN's engagement with other entities at the international level. ASEAN Community Councils include; ASEAN Political-Security Community Council, ASEAN Economic Community Council and ASEAN Socio-Cultural Community Council. These three councils consist of a representative from each ASEAN member state in the ministerial level. The Councils coordinate and track the activities of various sectoral bodies to achieve the objectives of ASEAN. Each Community Council gathers twice a year. The Councils have to adopt and implement ASEAN Summit decisions where they may prepare and submit recommendatory reports to the Summit for consideration.

The ASEAN Sectoral Ministerial Bodies

It gathers the ministers on particular sectors. Labour ministers or ministers of agriculture from ASEAN member states constitute separate sectoral ministerial bodies. They are charged with contributing to the cooperation on their sector, implementing decisions of the ASEAN Summit and submitting reports to the Community Councils.

The ASEAN Intergovernmental Commission on Human Rights (AICHR)

AICHR was created in October 2009 by the ten AICHR Representatives, one appointed from each Member State. It was inaugurated at the 15th ASEAN Summit in Thailand. AICHR Representatives come from various backgrounds and serve a three-year term of office. The Terms of Reference (TOR) which involves 14 mandates and function of AICHR was adopted in July 2009 at the ASEAN Foreign Minister Meeting. Accordingly, the main purpose of AICHR is to promote human rights and fundamental freedoms of the peoples of ASEAN. It is a consultative body which does not have the authority to make judgments.

ASEAN Dialogue Partners

ASEAN Dialogue Partners are states or international organizations with whom Asean conducts relations on a formal basis. There 10 dialogue partners of ASEAN for the moment that are Australia, Canada, China, the European Union, India, Japan, New Zealand, South Korea, Russia and the United States of America. Besides these partners, United Nations Development Program also holds a dialogue status whereas Pakistan is a sectoral dialogue partner. ASEAN conducts free trade agreements with most of the dialogue partners and holds periodical meetings with the 10 partners such as Asean +3 or Asean +6.



your turn ⁷

Explain the main focuses of ASEAN on non-economic issues and its tools besides the economic activities conducted within the bloc and internationally. Considering the daily politics and tensions in the region what would be the main agenda of ASEAN's noneconomic efforts and also the primary source of disputes among the members?

LO 1

Describe and evaluate the motivations behind the emergence of European Union and explain its decision making process.

European Union is a regional organization consisting of 28 European states that aims at implementing a common economic, social, and security policies. Originally created in western Europe, the EU expanded towards central and eastern Europe following the end of the Cold War.

The Maastricht Treaty, also known as the European Union Treaty, was signed at 7th of February and came into force in 1993. While this treaty established the European Union in today's context, it also enhanced the authority of the European Parliament in the decision making process and created new areas of cooperation.

The Lisbon Treaty was signed on 13th December, 2007, and came into force in 2009. This treaty simplified the operation modes and voting system. It created an office for a full time Presidency of European Council for a period of 2,5 years which is selected by the leaders of the Member States from a pool they create. On the other hand, it formed a position called High Representative of the Union for Foreign Affairs and Security Policy who would be responsible for a common and security policy. The Lisbon Treaty mainly aimed at turning the EU to a more influential actor in the global arena by creating new structures.

LO 2

Clarify the main focus of ALADI, its position in the global order and its background.

The Latin American Free Trade Association (LAFTA) was created in the 1960 Treaty of Montevideo by Argentina, Brazil, Chile, Mexico, Paraguay, Peru and Uruguay. The founders aimed at forming a common market in Latin America and proposed tariff reductions among the member states. It came into effect in 1962 whose main goal was to remove all duties and restrictions on trading activities between each other in 12 years. However, the agreement had important restrictions. For instance, it only includes the goods but not the services. On the other hand, it did not suggest coordination of policies. When compared to European Union, economic and political integration was limited. In 1970, LAFTA included four other Latin American nations, Bolivia, Columbia, Ecuador and Venezuela. ALADI is the ultimate phase of an integration process started in the late 1950s. In 1980, LAFTA was reorganized and turned into Latin American Integration Association (ALADI). Its main focus was maintaining the economic and social development of the Latin American region by regional specialization and attraction to new investment to the region. The motivation was "the gradual and progressive formation of a Latin American common market."

LO 3

Explain the goals and economic size of Andean Community, evaluate the primary motivations to form a Customs Union among particular South American states.

Andean Community is a trade bloc which aims at forming a customs union among the South African countries of Bolivia, Colombia, Ecuador and Peru. By 2018, the Community has approximately 110 million of population in 3,809,100 square kilometers with a combined GDP (sum of GDP's of all members) of USD 608 billion. The average GDP per capita among the Andean Community members is USD 5,621.

The economies of Andean member countries, Colombia, Venezuela, Peru, Ecuador, Bolivia and Chile, were mostly based on agricultural output and raw materials. While these countries show lack in industrialization, they used to lean on imported manufactured goods from the U.S. and Europe. They started an integration process to break through in economic terms and gradually formed the organization of Andean Community.

LO 4

Reflect your knowledge and perspective on political economy of Eurasia. Analyze EurAsEC and its impact on the Eurasian economy.

The Eurasian Economic Community (EAEC or EurAsEC) is a regional organization which aims at forming a Customs Union, Common Economic Space among the member states and coordinate the actions of the member states into the world economy. It primarily based in northern Eurasia. It focuses on enhancing the integration in economic and social realms.

The organization, which has a legal entity, was founded in harmony with the United Nations principles and the international law. The Community and its officials practice certain privileges and immunities to conduct their activities within the scope of the Treaty of Establishment of Eurasec and other treaties effective in the Community. Since 2003, Eurasec has a status of observer at the UN General Assembly. The headquarters of the Community are located in various cities that are Almaty, Minsk, Moscow and St. Petersburg. The secretary general of the organization is Tair Mansurov, a former ambassador of Kazakhstan to Russia. The citizens of the member states are granted to move freely to the other states

LO 5

Explain NAFTA's path to its emergence and make distinctions between Mexico at one side and the United States and Canada at the other from economic and political perspectives, with the knowledge of the factors that triggered these three countries to sign an economic agreement.

NAFTA's principal provisions suggest gradual reduction of tariffs, customs duties and other barriers on trade between the three members. Starting with eliminating certain tariffs, NAFTA gradually removed most of the barriers in 15 years. It guarantees a duty free access for a wide range of manufactured goods and commodities among the members. The goods that are imported by a NAFTA country from another, are regarded as "national" given such status. By this way, no administration, local or provincial government has a chance to impose any kind of tax on such goods.

A free trade agreement was signed between Canada and the U.S. in 1988. What NAFTA brought was extending the provision of ongoing free trade agreement to Mexico. NAFTA was negotiated by Bush, Canadian Prime Minister Brian Mulroney and Mexican President Carlos Salinas de Gortari, who reached a consensus in August 1992 and signed the Agreement on 17th of December in the same year. Following the ratification of it in each three countries in 1993, it came to force by 1st of January, 1994.

LO 6

Narrate on Southeast Asian Nations and their goals in forming ASEAN, its trading activities and areas of cooperation.

Mercosur, Mercado Común del Sur in Spanish or Common Market of the South, is a trading and political bloc of currently 5 countries in South America: Argentina, Bolivia, Brazil, Paraguay and Uruguay.

All member states form a total area of 13.8 million km square and a population of almost 300 million with a GDP estimated USD 3,5 trillion.

It is a process of regional integration put into action by Argentina, Brazil, Paraguay and Uruguay in 1991 with the signing of Treaty of Asunción, which was modified by 1994 Protocol of Ouro Preto. Mercosur was created in an atmosphere where longtime rivals, Argentina and Brazil, were aiming at developing bilateral relations. The bloc accomplished considerable success and enlarged the trade volume among the members ten times in the 1990s. Nevertheless, there is the criticism that Mercosur could not able to integrate the region in real sense. There are also doubts about the bloc's commitment to democracy. Paraguay, whose membership was suspended in 2012, and Venezuela, who was suspended indefinitely in 2016 for violations the rules of democracy, showed the different points of view within the bloc regarding democracy. In 2015, Bolivia adhered to Mercosur.

L07

Discuss the roots of MERCOSUR, compare it with the other regional organizations in terms of its economic size, governance structure and common principles.

ASEAN consists of 10 member states with a combined GDP of more than USD 2,55 trillion in 2016, which makes it the world's 6th largest economy if it were a unified nation. The combined population of ASEAN is 635 million which coincides 8,7 % of the world's total population that is the third largest following China and India. It covers a total area of 4,5 million square km.

ASEAN took the place of the Association of South East Asia (ASA), which was formed by the Philippines, Thailand and the Federation of Malaya (Malaysia for the moment) in 1961. It mainly focuses on economic cooperation, encourages trade among ASEAN member countries while also promoting trading activities between ASEAN and the rest of the world. It also suggests joint research and development projects among the member states.

1 European Union was initially based on the idea to coordinate the ... in the Western Europe

Which of the following options correctly completes the sentence above?

- a. coal and steel sectors
- b. agriculture sector
- c. food and Beverage sector
- d. finance sector
- e. service sector

2 How many members does the European Commission have?

- a. 7
- b. 15
- c. 28
- d. 300
- e. 751

3 The predecessor of ALADI aimed at enhancing prosperity by ...

Which of the following options correctly completes the sentence above?

- a. importing substitution industrialization
- b. regional specialization and attraction to new investment to the region
- c. mercantilist policies
- d. statist economic policies
- e. applying unified foreign and domestic policies

4 Which one is the supreme body of ALADI?

- a. The Council of Ministers of Foreign Affairs
- b. The Evaluation and Convergence Conference
- c. The Secretariat
- d. The Committee of Representatives
- e. Secretary General

5 Andean Community is a trade bloc which aims at forming a customs union among the ... countries

Which of the following options correctly completes the sentence above?

- a. South African
- b. North African
- c. South East Asian
- d. Western European
- e. South American

6 Which of the below organisation was founded by Belarus, Kazakhstan, Kyrgyzstan, Russia and Tajikistan with the purpose of enhancing the integration in economic and social realms?

Which of the following?

- a. ANDEAN Community
- b. NAFTA
- c. EurAsEC
- d. ALADI
- e. MERCOSUR

7 The supreme body of the Euresan Economic Community is ...

Which of the following?

- a. The EurAsEC Interstate Council
- b. The EurAsEC Integration Committee
- c. The EurAsEC Commission of Permanent Representatives
- d. The EurAsEC Integration Committee Secretariat
- e. The EurAsEC Interparliamentary Assembly

8 NAFTA was signed among two economically developed democracies and underdeveloped non-democracy which are...

Which of the following?

- a. Britain, France – Poland
- b. Holland, Spain – Lithuania
- c. United States, Canada – Mexico
- d. Japan, South Korea – Vietnam
- e. South Africa, Nigeria – Libya

9 The dominant countries of MERCOSUR, which was created to bring the long time rivals together, are ...

Which of the following?

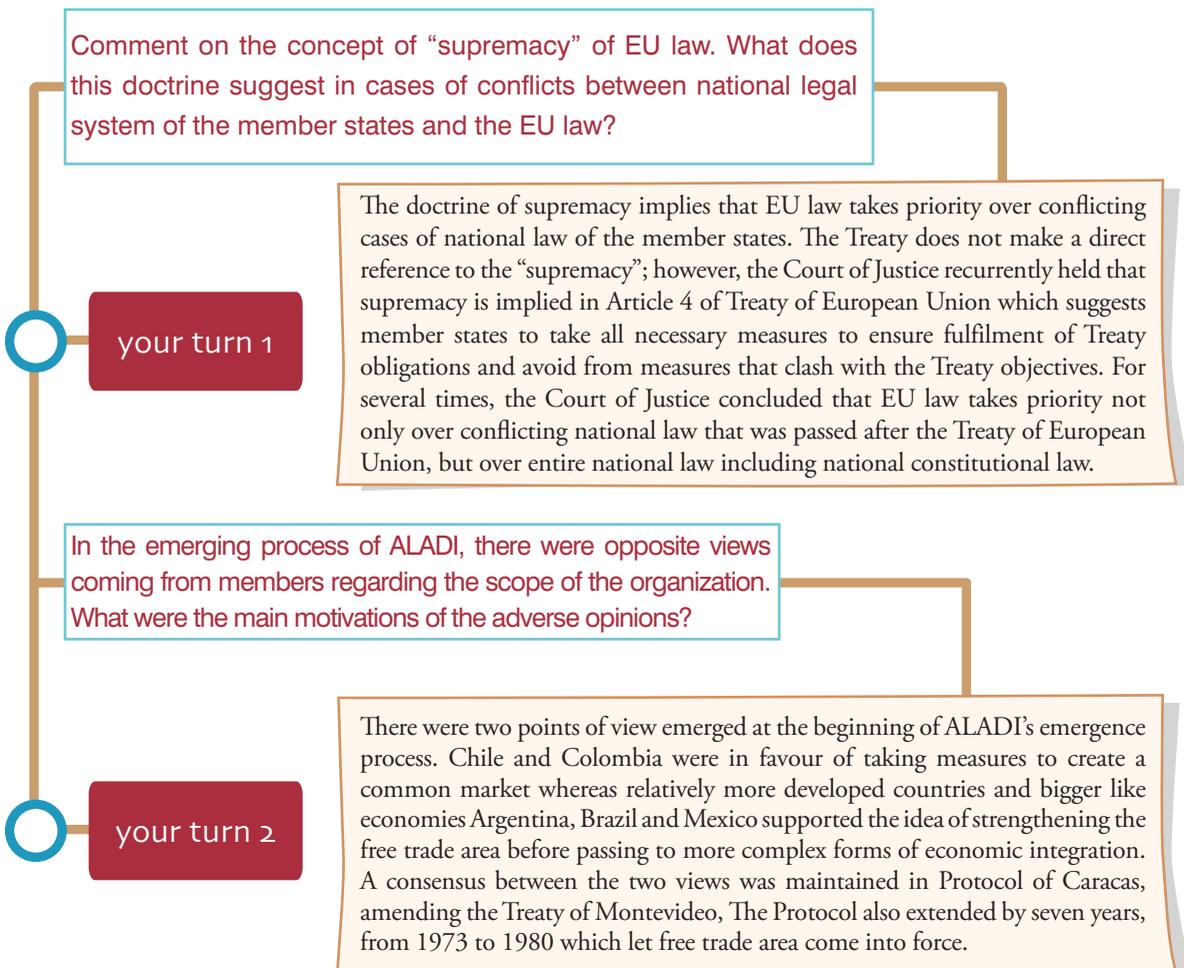
- a. North Korea – South Korea
- b. Argentina – Brazil
- c. Canada – United States
- d. France – Germany
- e. India – Pakistan

10 The name of the organization founded in South East Asia, which focuses on economic cooperation, encourages trade among its member countries while also promoting international trade with nonmembers is ...

Which of the following?

- a. ALADI
- b. ASEAN
- c. MERCOSUR
- d. ANDEAN Community
- e. EurAsEC

1. a	If your answer is incorrect, review the section on “European Union”	6. c	If your answer is incorrect, review the section on EurAsEC
2. c	If your answer is incorrect, review the section on “European Commission”	7. a	If your answer is incorrect, review the section on The EurAsEC Interstate Council
3. b	If your answer is incorrect, review the section on “ALADI”	8. c	If your answer is incorrect, review the section on “NAFTA”
4. a	If your answer is incorrect, review the section on “The Council of Ministers of Foreign Affairs”	9. b	If your answer is incorrect, review the section on “MERCOSUR”
5. a	If your answer is incorrect, review the section on “ANDEAN Community”	10. b	If your answer is incorrect, review the section on “ASEAN”



Discuss the major transformation of ANDEAN Community passed through since its foundation.

your turn 3

Initially in 1969 when a number of South American states signed the Cartagena Agreement or the ANDEAN Pact, the main motivation was promoting trade, creating jobs within the Community and ultimately form a Latin American common market. In the mean time, Community's scope was suggesting a protectionist economic policy towards non ANDEAN countries. By this way, the member states would only develop themselves by keeping indifferent to the international economic opportunities. However in three decades, the Community gradually faced a major transition from an inward-looking integration based import substitution industrialization policy to an open regionalism. This shift was accomplished by the top leaders of the time. By this way, liberalization of trade in goods, synchronizing the trading policies against the third parties came to force to a certain limit. When the member states opened their economies, they faced the consequences of the globalization which paved the way for institutionalization of the organization. The required institutionalization was accomplished through a series of Protocols such as Trujillo and Sucre an which formed what we know as ANDEAN Community and the Andean Integration System today.

What is the main difference in governance between Eurasec and European Union? How would the difference is reflected to the decision making process?

your turn 4

The European Union, where the governance is based on majority voting, the decision making process operates relatively smooth whereas in the case of EurAsEC, the unanimity vote is required in the Interstate Council which led a couple of deficiencies in the Eurasion Customs Union. This is an important barrier to form a unified trading policy, which is the base for Customs Union. By this way, each member state takes its decision separately. Economic fluctuations, dependency on outside economic and political actors and pressure from international organizations such as IMF led the member states to act independently because of the unique conditions. Besides that, inconsistencies among the national legal framework of the member states and lack of coordination end up with actings of members independently from their partners.

Considering that Mexico was an undeveloped country, a nondemocracy and that the United States had already signed a treaty with Canada, what would be the main motivation of the United States to extend such an agreement with Mexico?

your turn 5

NAFTA did not primarily focus on freeing of trade. Rather, it was a foremost example of the “new regionalism” which was given as a response to globalization by the United States. The concept of new regionalism came out of uneven globalization of production, finance and markets to fight with negative consequences of globalization. Moreover, NAFTA points the concept of new regionalism where United States avoids possessing a hegemony over its periphery but rather forms economic alliances to spread the benefits of the globalization process. In the old regionalism, the trading among the member states was promoted whereas trading with nonmembers was discouraged due to protectionist policies. However, after the end of the Cold War, the newly emerged organizations gained a new dimension when compared to the ones that were established following the World War 2. Since the United States was the leading actor that promotes globalization and free market economy by implementing it to its foreign policy, conducting a free trade agreement with Mexico alongside Canada would show the U.S’ belief on globalization.

Considering the commitment of MERCOSUR to democracy and passed taken actions towards antidemocratic movements, how does it balance its scope among economy and democracy? Did the democracy commitment bring economic success?

your turn 6

As explained in the chapter, MERCOSUR has a particular interest in democratic type of governance of its member states. However, it is hard to say that this is reflected positively to the economic figures. By some analysts, MERCOSUR’s regional integration is named as “ceremonial regionalism” and “integration fiction”. Although MERCOSUR took action to seek a political solution in Bolivia’s domestic political crisis, and suspended Venezuela for its antidemocratic political outlook, the integration among its member states could not be deepened. The emergence of MERCOSUR helped Argentine and Brazil turn their longtime rivalries into cooperation; however, the figures show that the integration in economic sphere remained limited. The total of trading activities between MERCOSUR members dropped from 25 % in 1998 to almost 10 % in 2012. Besides, the volume of trading activities of member states with nonmember states are almost 6 times greater than the intra-block trade in 2005. This underlines the weakness of integration and shows that the member states turn their focus to international trade.

Explain the main focuses of ASEAN on non-economic issues and its tools besides the economic activities conducted within the bloc and internationally. Considering the daily politics and tensions in the region, what would be the main agenda of ASEAN’s noneconomic efforts and also the primary source of disputes among the members?

your turn 7

Besides its economic activities, ASEAN involves a wide range of issues regarding security challenges including border disputes, human trafficking, natural and manmade disasters, food security, cross-border terrorism and insurgencies. ASEAN created a set of bodies to deal with noneconomic affairs such as ASEAN+3 and ASEAN Regional Forum. Although the diplomatic forums and platforms are created, conflicts among the members on security issues usually prevent ASEAN to form a unified stance regarding the Southeastern politics. The most distinct and solid challenge for ASEAN is forming a common policy against the rise of China. China’s reemergence as a global power and its rise in the East Asia region show impact on ASEAN politics which leads to disputes among its members.

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Chapter 7 Regional Development Banks

After completing this chapter, you will be able to:

Learning Outcomes

1

Understand the main features of regional development banks

2

Evaluate the reasons why regional development banks were designed

3

Describe the similarities and differences between regional development banks and multilateral development banks

Chapter Outline

An Overview Of Banking System
What is Regional Development Bank (Rdb)?
What is The Role of Regional Development Banks?
Main Objectives of The Rdb's
The Competitive Advantages of The Rdb's
From Rdb's To Mdb's
A New Initiative
A New Financial Architecture

Key Terms

- Financial Intermediation
- Regional Development Bank
- Multilateral Development Bank
- Financial Contagion
- Financial Crisis
- International Financial Architecture
- Basel Accord
- Financial Liberalization



AN OVERVIEW OF BANKING SYSTEM

Before providing detailed information on Regional Banking, it is crucial to indicate the importance of banking activities in a country or a specific region. Firstly, even in well equipped countries with 2-3 centuries of banking experience prior to the beginning of their industrial transformation like Turkey, financial intermediation is not always able to provide financing to each activity sometimes due to focusing problems or sometimes economic value issues. In principle, however, inability to finance socially beneficial activities may bring side effects that are disruptive to the financial system. It can also be seen that this lack of financing ability may even lead to financial crises. The weakness of banking system in a country, developing or developed, is a great threat to its financial system as well as to the stability of international financial markets. Although most crises in global markets have their own unique symptoms and characteristics, the result is always the same because people get poorer due to GDP decline, and investors suffer losses with the increasing market fluctuations. After all, banking system is essentially characterized by intense competition, a never-ending race where you seek every opportunity to pull ahead of your competitors. Every business defines its own strategy of growth and development based on their mission and vision statements. That is why maybe the definition of risk should be different for each company. But, how can we formulate an equation involving macro risk, sectoral risk, company risk analyses and bank's vision and mission?

In the strictest sense, financial intermediation means the process of taking in funds from depositors and then lending them out to borrowers. In light of the afore-stated definition, it can be clearly understood that those performing the process of financial intermediation are "Financial Institutions". Number of banks per capita and banking activities, as strongly emphasized by Aghevli in terms of measuring monetization, do not seem entirely wrong as sharply criticized by the Indian economist Chandavarkar when considered from the point of view that financial intermediation can ensure funds are taken in from fund owners and lent out to investors without causing any diminution in the amount of that fund.

Financial institutions mainly perform two important economic tasks: To manage the fund generation and payment mechanisms and to bring investors and savers closer with fund owners and borrowers. In short, financial intermediation is the process of transfer of funds from savers, rentiers to investors applying for loans. The most distinctive feature that sets the financial intermediaries (financial institutions) apart from other enterprises is that their assets mostly consist of financial instruments. While, on the one hand, financial institutions take in funds as financial instruments, on the other hand, they give out loans. The survival of these institutions depends on their engagement in a fierce competition between other "fund seeking" persons or institutions for attracting depositors' savings. In the same way, they must compete with "fund lending" persons and institutions too in order to lend those funds out to investors. This situation helps financial markets become specialized while spreading the idea of portfolio management. Depositors looking for investors or investors seeking for funds in an economy, where no financial intermediation exists, results in a number of costs. In an environment where neither investment nor saving is responsive to interest rate, which is the cost and price of both items, neither party (depositors and investors) would be satisfied. Net yield is the market interest rate determined based on risk and liquidity. For example, creditors should consider a 2% research cost, 3% risk premium and 1% liquidity ratio for an interest at a rate of 12%, thus leaving the savings account holders with a ratio of 6% (Emre Alkin, Tuğrul Savaş, Vedat Akman, 2001). If borrowers had to add an 8% transaction cost to a 12% interest cost, a discrepancy by 20% would arise between the net yield on loans and the gross cost of borrowing. Financial institutions help eliminate such discrepancies. That is to say, they bring together savings account holders and investors based on the information they obtain from both parties, and reduce the risk premiums and costs of creditors from 6% to 1%, and transaction costs of borrowers from 8% to 2%. They impose a ratio of 14% on loans, and 11% on deposits in order to eliminate their own costs, thus reducing the difference between gross cost of borrowing and net return on savings from 14% to 6%, which would help gross cost of borrowing

fall from 20% to 6% while boosting loan requests, and help net return on savings increase from 6% to 10% while stimulating the inclination to borrow and lend money. High net yield on savings and low gross cost of borrowing would not only help increase loan purchase and sale, but would also boost investments and savings. Investments grow with low cost loans while the increase in net yield on savings encourage saving. In short, prevalence of financial intermediation means investment upswing. While contributing to intersectoral fund transactions, financial intermediation also helps increase the monetization and improves the absorption process of non-monetized activities by penetrating into rural areas in order to integrate idle cash into wheels of the economy.

Financial Evolution and Banking

The evolution of financial system should be discussed based on structural changes in financial system, activities and instruments over time. As for its level of development, it depends on the financial conditions provided by the system itself, including sufficient integration between sectors, large variety of products, access to information, large number of financial institutions and their number per capita, strong willingness to take risks and finally net interest income from deposits. The following phenomenon was observed in respect of the comparison between the developments in financial sectors of industrialised countries over the last decade and the recent advances in financial sectors of developing countries: Short-term attempts to establish financial liberalization in Korea and Taiwan have not succeeded in easing their economic depressions. On the contrary, it has been observed that legal structure and financial habits in both countries have acted as obstacles to the financial sector (Lack of competition and excessive controls over balance sheets etc.) As financial markets mostly mean banking activities, the lack of interbank competition and low number of banks pose an obstacle to financial intermediation (Emre Alkin et al, 2001) The fact that large banks in some countries get a high share of total deposits shows that financial intermediation is, in a sense, being performed under oligopolistic circumstances. According to Fry and Aghevli, number of banks and bank branches per capita are key indicators

of monetization and financial intermediation. As lack of competition also means low number of bank branches, an oligopoly does not help absorb non-monetized activities in rural and urban areas. The said phenomenon weakens the relationship between the investor and the saver as well.

Quantitative Measurement of Financial Intermediation

A quantitative measurement of financial intermediation is required to conduct a quantitative analysis of monetization as well as to assess its relationship between financial and monetary policies in order to establish a suitable model (for a typical developing country) that comprises variables closely related to monetization. In light of long-term analysis of monetization, Chandavarkar was able to design a rational model. When we adapt this model of his to 2000s, with an analytical approach and enough empirical clues, we can reach to the following conclusions:

$$Mr = f(Mks, Mc, M1, Msc, Md, Mm)$$

Mr = Financial Intermediation ratio.

Mks = surplus of product in sectors that do not use financial intermediaries (their average weighted share in GNP).

Mc = Personal or corporate savings.

Msc = Inclination to unincorporation.

Md = the ratio of companies established through equity capital to the total number of companies.

Mm = other non-monetary transactions

$$aMr/aMks > 0 \quad aMr/aM1 > 0 \quad aMr/aMd > 0$$

$$aMr/aMc < 0 \quad aMr/aMsc < 0 \quad aMr/aMm < 0$$

This model can be explained as follows: financial intermediation ratio is directly proportional to the marketing of surplus product in private sector, allowing individuals to earn a side income. Transformation of family members into wage workers would automatically contribute to the monetization as an income-generating activity (Emre Alkin et al, 2001). Considering the fact that personal saving is a variable that is inversely proportional to loan demand, it is inversely proportional to financial mediation, too. Similarly,

inclination to unincorporation is also in inverse proportion to financial mediation. Lastly, non-monetary transactions are considered detrimental to financial mediation as well.

Financial Liberalization and Banking

In developing countries, the main purpose of the pre-1980s financial policies, (especially in the 1960s and the 70s) was to boost industry and development by providing low-cost financing. For that purpose, financial flow controls were established through selective credit policies while interest rates were kept under control. As public sector taking the lead as its 'main investor' function, private sector activities in key areas were supported as well. As mentioned above, ceilings were imposed on deposit interest rates and loan rates, while diversifying sector activities in such a manner as to promote import-substitution policies. In addition to all those interventions, a number of measures and restrictions, including banning foreign investors from trading in domestic capital markets, prohibition on the opening of foreign currency accounts, restriction on taking foreign currency denominated assets abroad, were implemented in developing countries during the 1960s and the 1970s. After the 1980s, the abovementioned interventionist policies were harshly criticized due to the fact that they had led to deep economic crises and to the spread of global integration in developing countries. These discussions finally led to the conclusion that financial liberalization would be an effective mean for the reestablishment of growth and stability. The notion of financial liberalization is defined as the process of reducing or eliminating price and quantity controls over markets, and making economies open to international capital flows. The positive parallelism between financial liberalization and banking becomes more apparent when analysing the impacts of financial liberalization on financial markets. Liberalization of interest rates, in other words, transition to positive real interest rates with the Financial Liberalization, has once again increased the importance of regional banking. The presence of financial institutions that keep interest rates at reasonable levels has become even more

important than ever in financing projects with long-term investment return, focused on creating social benefit. However, the establishment of the Basel Committee for Banking Supervision (to meet the need for improved banking supervision and regulation at a global level) has caused private and public banks to hesitate in financing the abovementioned socially beneficial projects in terms of both inadequate resources and operational issues. Due to the afore-mentioned standards and technical reasons, commercial banks cannot provide financing for projects aimed at development. Accordingly, it has become necessary to prefer financing these projects through Regional Development Banks because of several reasons including resource costs, proposed loan interests, collateral and capital requirements.

BIS and BASEL Committee

Established in 1974 with concern for the possibility that international capital movements may lead to a global crisis, the Basel Committee for Banking Supervision (BCBS)- the BIS developed into a global meeting place for regulators and for developing international standards-has set forth the issues like business volume of each bank's capital, whether banks have enough capital to protect themselves from high-risk, and relevant controls, in order to prevent risks that might arise within their own domestic economies. Despite the fact that crises that occur in international markets have their own special characteristics, the IMF, the World Bank and similar financial institutions advise the principles of Basel Committee within the compass of economic stability programs envisaged to be implemented in countries they helped for strengthening macro economy and financial stability (Emre Alkin et al, 2001). The 1988 Basel Accord approved by regulators from the G-10 countries is a huge step taken in the risk management process. Although criticized for including decisions only on credit and market risk negotiated by the Group of Ten, the Basel Accord is also considered a significant step towards improving financial stability domestically and internationally. The Basel Committee prepared the following document to strengthen the prudential supervision of banking in all world countries:



Picture 7.1 BIS "Tower" Building. Centralbahnplatz 2 - Basel - Switzerland

The Core Principles for Effective Banking Supervision: A report, regularly revised and updated, comprising the standards and recommendations set forth by the Basel Committee regarding effective supervision of banks (Compendium). Originally issued by the Basel Committee in 1997, the core principles for effective banking supervision were last revised by the Committee in September 2012. The revised Core Principles define 29 principles that are broadly categorised into two groups: the first group (1 to 13) focus on powers, responsibilities and functions of supervisors, while the second group (14 to 29) focus on prudential regulations and requirements for banks.



For further exploration of the Core Principles for Effective Banking Supervision, you visit <https://www.bis.org/publ/bcbs230.htm>



your turn 1

Discuss the reasons why the banking system is mainly characterized by intense competition through considering the fact that the survival of financial institutions depend on their engagement in a fierce competition between other fund seeking persons/institutions.

However, the services provided by regular banking system were not enough to meet the requirements and/or the needs of low and middle-income countries. This need eventually led to the rise of Regional Development Banks, designed to provide financial and technical assistance for development in the abovementioned countries within their regions. The presence of regional development banks is also crucial not only for humanitarian reasons, but also for preventing financial contagion spread from one country to another.



Picture 7.2 BIS "Botta" building, Aeschenplatz 1 - Basel - Switzerland

WHAT IS REGIONAL DEVELOPMENT BANK (RDB)?

The regional development banks (RDBs) are multilateral financial institutions that provide financial and technical assistance for development in low- and middle-income countries within their regions. Finance is allocated through low-interest loans and grants for a range of development sectors such as health and education, infrastructure, public administration, financial and private-sector development, agriculture, and environmental and natural resource management (Ottenhoff, 2011)

RDB usually refers to four institutions: African Development Bank (AfDB), Asian Development Bank (ADB), European Bank for Reconstruction and Development (EBRD) and Inter-American Development Bank (IDB). Although each RDB has its own legal and operational status, they all share a similar mandate and highly cooperate with each other.



Picture 7.3

WHAT IS THE ROLE OF REGIONAL DEVELOPMENT BANKS?

Prolonged instability of developing countries and the volatility of their access to the global financial markets stand out as two main problems that are leading to a redesign of international financial architecture where the RDBs are playing new roles (Hinds, 2002).

Membership Structure

The RDBs are owned by member governments of both regional and non-regional countries. Each member is a shareholder of the institution. A country's voting shares and level of board representation are based on the size of its economy and its financial contributions to the institution. The United States is the single largest shareholder in the IDB and the EBRD. At the ADB, the United States is tied with Japan for the largest financial commitment. At the AfDB, the United States is the second largest shareholder after Nigeria. Among regional members, China and India are large contributors to the ADB; Egypt and South Africa are large contributors to the AfDB; Argentina, Brazil, and Venezuela are large contributors to the IDB; and Russia is a large contributor to the EBRD (Ottenhoff, 2011) (see table 1).



Picture 7.4

Table 7.1 Top Shareholders of the RDBs

AfDB		ADB		EBRD		IDB	
Nigeria	8.88	Japan	15.57	U.S.	10.10	U.S.	30.03
U.S.	6.44	U.S.	15.57	France	8.61	Argentina	10.76
Japan	5.49	China	6.43	Germany	8.61	Brazil	10.76
Egypt	5.14	India	6.32	Italy	8.61	Mexico	6.93
South Africa	4.56	Australia	5.77	Japan	8.61	Venezuela	5.76

Source: Congressional Research Service

Governance of RDBs

The RDBs have internal organizational structures similar to each other. Run by their own management and staffed by international civil servants, each RDB is supervised by a board of governors, a board of executive directors, and a president (Ottenhoff, 2011). The board of governors is the highest decision-making body of an RDB. It consists of one governor for each member country, generally a member country's secretary of the treasury or minister of finance. The governors delegate authority over operational policy, lending, and other business matters to the board of executive directors who perform on-site, at the institution's headquarters. The presidents are responsible for the overall management and serve as the chair of the board of directors as well.

RDBs' Headquarters

The headquarters of the RDBs are located in their respective region. The **ADB** headquarters is located in Philippines, with 29 country offices and representative offices in Tokyo, Frankfurt, and Washington, D.C. The **AfDB** headquarters is located in Côte d'Ivoire; but temporarily relocated in Tunisia due to political unrest in Côte d'Ivoire. The **EBRD** headquarters is located in London with 34 country offices

in member countries. The **IDB** headquarters is located in Washington, D.C., with 26 country offices in regional member countries, as well as in Paris and Tokyo.

Lending Mechanism

Most of the RDBs have two main funds called “hard” and “soft” lending windows. The hard lending windows provide financial assistance in the form of loans non-concessional assistance to middle-income countries, some creditworthy low-income governments, and private firms in developing countries. The soft lending windows provide grants and concessional loans to the region’s poorest governments. Most loans are interest-free and have a maturity of two to four decades. The amount of lending that the RDBs provide depends on demand and it varies from year to year. Lending amount extended by the RDBs hit record levels after the 2008 financial crisis as banks drastically increased non-concessional lending to developing countries, which played a key role in helping middle and low-income countries deal with the crisis.

Funding Mechanism

The RDBs’ hard and soft lending windows get their funding in different ways. The hard lending windows borrow on international capital markets at reasonable rates and relend the money to developing countries. This lending model uses the advantages of the low rates but slightly raises the price to cover the RDBs’ operational expenses and generate funds for other purposes (Ottenhoff, 2011). The soft lending windows, on the other hand, are financed by contributions from richer countries and are replenished every three to five years. Some RDBs transfer a part of their surplus net income from their non-concessional lending to fund their concessional programs.



Picture 7.5 Why RDB’s are playing new roles, including old ones?

Two main problems have recently become evident in the international financial architecture: The prolonged instability of developing countries and the volatility of their access to the global financial markets. Although primarily related to developing countries, these problems also affect the developed economies and the rest of the world in general. The participation of developing countries in international financial markets is still relatively small compared to total worldwide transactions. However, it is large enough to create severe disruptions in the international system when they go through financial crises. The lack of a sustainable integration of developed and developing markets is also an important factor deterring progress in developing economies, which results in inefficiency of worldwide allocation of resources.

MAIN OBJECTIVES OF THE RDBS

Regarding the above-discussed issues, the main objectives of the RDBs are as follows: Helping member countries to develop their domestic financial markets so that they can mobilize their own savings for development purposes; Bringing member countries to global financial markets in a sustainable manner; And making... less severe, with their insufficient resources, the pro-cyclical behaviour of private sources of financing. Achieving these objectives would have involvements in various extensions for the RDBs. RDBs would need to: Develop new financial instruments; Plan and fashion particular lending policies; Bring their capacity to produce and disseminate knowledge/best practices into a more desirable condition.



Picture 7.6

Instruments and policies for a successful integration of public sector into global markets: In relation to this subject, there are two issues that need to be addressed: to improve access to financial markets and survive financial crises.



Picture 7.7

Access to financial markets: In order to help countries get sufficient financial resources for their needs, lending policies should be designed under two main objectives: improving domestic financial markets of member countries and integrating them into the global markets, thus bringing under control their foreign dependency. Accordingly, the operations must be designed as per the aforesaid principle. As underlined before, doing so would impose working on solving the structural issues giving birth to instability as well as helping them obtain real access until developing countries become able to achieve this integration on their own. In this way, the multilateral institutions as a whole, and the RDBs specifically, would need to decrease their own participation in the financing of the developing countries, bringing a more abundant and more sustainable source of financing to their members for their development needs. The lending power of all the multilateral institutions together represents only a minor portion of the financial needs of the developing countries. If countries do not develop their own domestic markets, they would be permanently condemned to under-financing (Hinds, 2002). In order to achieve this objective, RDBs would need to deal with three problems: With the aim of bringing down the dependency of developing countries on certain commodities, to work with governments and the World Trade Organization closely to liberalize trade in both developed and developing countries; to improve the quality of macroeconomic administration and institutional settings in order to make the debt of the country appealing to financial markets and establish a strong local financial system; to help developing countries find a niche for themselves in global financial markets. With regard to the first problem, the RDBs and the World Bank have achieved substantial progress in helping countries liberalize their trade regimes. As a result, exports have increased in the last decade, especially in Latin America, and started to become more diversified. Yet, as mentioned earlier, their success greatly depends on the availability of local and global financing for new activities only a more liberalized trade regime would draw forth. With regard to the second problem, since the early 1980s, development finance institutions have lent substantial amounts to help developing countries achieve stability. After numerous operations,

however, a true policy reform to ensure stability has not been implemented. This outcome partly arises from political pressures imposed on development institutions for lending as much as possible to all the world countries and sometimes for lending to some of them. When making lending decisions, more attention should be paid to the credit ratings given by rating agencies as these ratings provide a quantitative evaluation of the market. With regard to the third problem, which is to help developing countries to float instruments in markets, RDBs must reach an agreement with each of their member countries on a strategic programme aiming to integrate them into global markets in the long-term. Accordingly, domestic financial markets should be considered part of the global system and the proposed programmes should start working on debt issues in both domestic and international markets. To bring countries around to accessing the markets, the abovementioned programme should also comprise a downward trend in the proportion of loans that the RDB would fully finance, which is necessary because it is more convenient for governments to borrow from a single multilateral RDB in the short-term. The loans that RDBs would finance in full should include all loans for social projects and a small portion of other financial needs of the State. The remainder may be co-financed in the market with the assistance of the RDB. Although these programmes ought to be flexible to a reasonable extent, they should be strongly encouraged (Hinds, 2002). In accordance with this policy, RDBs can provide enhancements for financial instruments issued to global markets so that their involvement in these operations can be greater than their contribution to the co-financing. “Thus, for example, an RDB could finance 50 percent of an operation and guarantee an additional 25 percent” (Hinds, 2002). These guarantees can be provided under any form. Co-financing can take several shapes as well, including financing the outer years of long-term loans etc. “RDBs can also open a new dimension of cooperation for the integration of regional and sub-regional financial markets” (Hinds, 2002). As discussed before, financial integration is required not just between developing countries and developed international financial markets but also among developing countries. As a result of increasing trade and initial cross-border investments, financial flows between

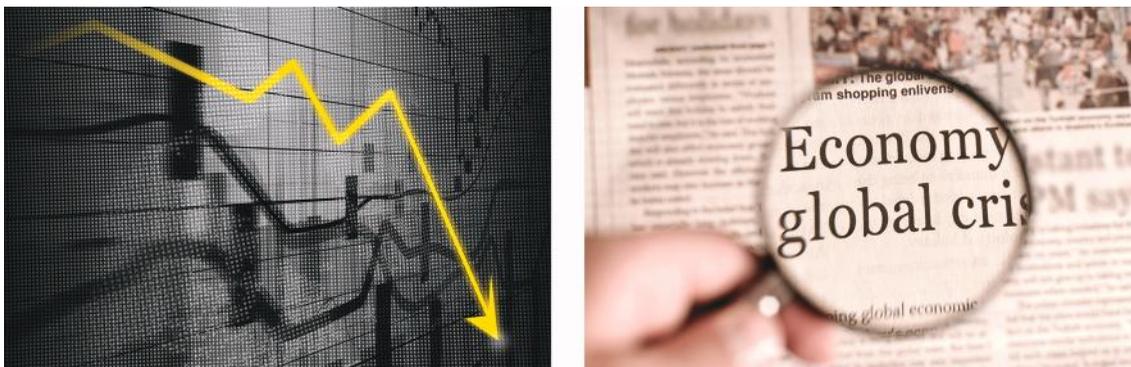
neighbouring countries are rapidly growing in many regions. This positive development, however, is hampered by lack of coordinated financial regulations and monitoring, eventually increasing the cash flow risk. RDBs are standing in an excellent position to help in eliminating the abovementioned obstacles by promoting financial regulation and monitoring, by helping in creating financial instruments which would make cross-border investments easier as well as in improving domestic financial institutions.

 Asian Development Bank Fighting Poverty in Asia and the Pacific	
Motto	Fighting poverty in Asia and the Pacific
Formation	22 August 1966
Purpose/focus	Crediting
Headquarters	Mandaluyong City, Metro Manila, Philippines
Region served	Asia-Pacific
Membership	67 countries
President	Takehiko Nakao 

Picture 7.8

RDBs' contribution to the prevention and management of financial crises: This issue presents four aspects: prevention of financial crises; surviving financial crises; dealing with the contagion through other countries' financial markets; and management of risks posed by operations in the RDBs portfolio.

Dealing With Financial Crises



Picture 7.9

Multilateral institutions contributed to the resolution of most of the recent crises with different degrees of success. In general, the banks' performance was effective and well-timed. There still are three issues, however, that need to be addressed to avert future problems. First is the definition of the role of the banks, including the World Bank and the regional institutions, and the IMF in terms of

providing liquidity and funds. Second is the potential conflict embedded in the following objective: “To provide short-term liquidity for the long-term restructuring of the banking system” (Hinds, 2002). With regard to the first issue, it has been considered for long time that providing emergency liquidity is a responsibility of the IMF, while offering financing for the recapitalization of the system is within the authority of multilateral banks. However, the magnitude of recent financial crises exceeded the financial capacity of the IMF. So, other institutions including the World Bank, the Inter-American Development Bank, the Asian Development Bank and the United States Government etc., were asked to support the IMF in providing emergency liquidity (Tequila and the Asian crises in the 1990s). As members of the international community, development banks had no other choice but acting in accordance with these requests. According to a number of critics of the prevalent financial architecture, providing emergency liquidity should be among the exclusive functions of the IMF. Yet, if development institutions are to avoid these types of operations, the IMF’s liquidity would be substantially increased for the preparation of a contingency plan. If international community does not multiply the liquidity of the IMF in case of emergency, the development banks then would have to contribute using their larger liquidity. Considering the fact that it is not easy to predict the extent of the crisis, it is crucial for RDBs to have prepared policies and instruments beforehand. If RDBs are to continue helping to resolve liquidity problems in financial crises, they should design an instrument specific for this purpose. Countries experiencing financial crises require financing for the two following reasons: (a) Emergency liquidity is needed to restore the confidence of depositors and lenders in the domestic financial system and the government’s ability to repay its obligations (Hinds, 2002); (b) Funds are needed to implement structural reforms designed for preventing the recurrence of the crises. These two problems pose different financial needs. Financing for the first problem should be provided with short maturities, under the assumption that the government and financial system will recover the liquidity. The maturity of loans offered for the second problem has to be long so as to allow governments to string out the losses when absorbing the losses of the financial system. Recapitalization of banks is also a difficult task that requires substantial and high-quality technical work. So far, due to the lack of an instrument to conduct liquidity, multilateral banks have used loans aimed at the subsequent recapitalization of the local institutions, creating harsh tensions in the outcome. The reason why such tensions arise is because the aims of providing liquidity to restore confidence and providing resources for the recapitalization of the banking system can easily become contradictory. By nature, loans to recapitalize banks should include conditions that have to be fulfilled before disbursements are made, while the only condition for the disbursement of an emergency loan should be the presence of a programme guaranteeing repayment. Combining these two purposes in one single instrument, development banks are placing themselves in a potentially hard position. Thus, the RDBs need an instrument to conduct liquidity in case of a financial crisis, with similar characteristics to those used by the IMF in terms of maturity and conditions of disbursement. And to complete this instrument, the RDBs need to re-design the instruments used for the recapitalization of the financial system, making disbursements contingent on the occurrence of actual government spending for this very purpose. Shaping these operations as typical adjustment loans makes the link, which should exist between disbursements and actual project costs, weaker and may lead to cases where the loan is disbursed even though the banking system is not yet recapitalized (Hinds, 2002).



Picture 7.10 Inter-American Development Bank building - Washington, DC, USA



Picture 7.11

Crisis Prevention

The tasks set forth involving the integration of the developing countries into global markets should be further developed to prevent crises. Also, the RDBs may expand this objective by supplying another instrument: IMF's Contingent Credit Line (CCL) introduced in 1999. This facility aims to strengthen member countries' defences against financial crisis, providing contingent lines of credit to be disbursed in case of a crisis concerning fiscal or monetary indiscipline. The RDBs can engage in contingent operations for the following reasons: First, the size of the IMF facilities is too small to bring comfort to markets. The CCLs are limited to 3-5 times the countries' quota (Hinds, 2002); Second, other than fiscal or monetary indiscipline/contagion reasons, emergency loans may also be disbursed in cases like natural disaster or terrorist attack, examples of many events that could start a liquidity crisis even in a diligently governed country. Although the RDBs and the World Bank have facilities designed for the abovementioned needs, these facilities are not preapproved, thus not able to provide the same confidence that disbursable contingent loans would provide. Third, only a third of the approved amounts for CCLs can be disbursed

automatically. The remainder should be subject to an evaluation of the situation at the moment of loan payment, which would reduce effectively the size of the contingent loan to a third of its nominal value, or about 1-1.6 times the country quota with the IMF (Hinds, 2002). Accordingly, the RDBs can make a large contribution by multiplying funds available for contingencies. When carrying out these operations, RDBs should work in close coordination with the IMF even though their facilities would not be the same as the CCLs. The payment promise must be fulfilled pursuant to an IMF-approved and legally binding programme. Thus, the conditionality of the operations would be related to policies in lieu of outcomes. A country should be able to benefit from these facilities without regard for the depth of crisis, provided it complies with the policies & loan contract terms and conditions agreed with the RDB.



ADB - Japan Scholarship Program

Picture 7.12



Picture 7.13 Integrating the private sector into global markets

The predominant reasons for the lack of financing of private sources may be found in the unstable fiscal and monetary policies as well as in the incompetent regulation and supervision of the regional financial system. Accordingly, more efforts should be directed towards a solution to these problems. Meanwhile, RDBs can provide assistance in the financing of private sector. The purpose of these operations should not be the substitution of private financing; instead, these operations should be aimed at catalysing the development of private financing. Because of the possibility that the presence of officially supported

financing may restrain the development of local sources and overthrow the ultimate purpose of the operation, achieving such purpose might not be easy. With regard to the public sector, on the other hand, the fact that the needs of the private sector surpass the capacity of the multilateral institutions, thus creating a dependency on these institutions for private sector financing may be damaging for the member countries. To ensure financing the private sector would not harm the development of the regional financial systems, three fundamental issues must be resolved first. There is the problem of lending to private sector with sovereign guarantee. Such lending leads to a distortion in both domestic and global markets; because other potential lenders would not enjoy the fact that their competitors gain such advantage. As governments do not have the power to guarantee all potential lending to private sector, the sole solution to this issue would be to decline such guarantee for all of them. The World Bank cannot lend without a sovereign guarantee but its subsidiary the International Finance Corporation not only can do it but can also invest in equity holdings (Hinds, 2002). Some of the RDBs, including the Inter-American Development Bank (IDB) and other sub regional institutions, such as the Central American Bank for Economic Integration and the Andean Corporation of Finance, are lending to private sector directly and investing in equity holdings as well. Additionally, the IDB has a special subsidiary specifically established for lending without sovereign guarantees and investing in equity holdings. Generally, operations performed without government guarantees have been successful financially, however, up to now, the volume of resources intermediated within this outline has usually remained low. The growth of such institutions is restrained by the same reasons that prevent developing countries' access to private global markets. Naturally, RDBs can only

lend in dollars, bringing nearly incurable foreign exchange risks except for a (relatively) small group of companies which generate dollars in their traditional operations. In such cases, RDBs may face a competition between them and the private international banks, where they would remain at a disadvantage. Due to the fact that their knowledge of potential borrowers is very little and their procedures usually reflect their nature of public sector, the credit analysis they carry out is often heavy and wearisome. In most cases, the role of the said institutions is to bring comfort to major global private investors with access to other sources of funds but carrying the conviction that partnering with a RDB would decrease their investment risks. Mindful of the fact that these investments would not be made without their participation, private sector subsidiaries of the RDBs play a useful part in such operations. RDBs and their private sector subsidiaries also lend to private banks that on-lend the earnings to private companies, thus providing a remedy to the local knowledge problem. However, other problems may arise during these operations, such as foreign exchange risk, considerably reducing the market. Overall, experience has shown they cannot become big lenders of funds to private sector in developing countries. Still, RDBs' private sector subsidiaries can continue to play a useful role through demonstration effects in innovative projects. Regional initiatives offer new opportunities for such operations, particularly for private international infrastructure projects, including cross-border electricity transmission lines, water pipes, interstate highways and other transportation works. The presence of RDB subsidiaries in the abovementioned investments would provide comfort much more needed than in cases of solely national undertakings (Hinds, 2002).



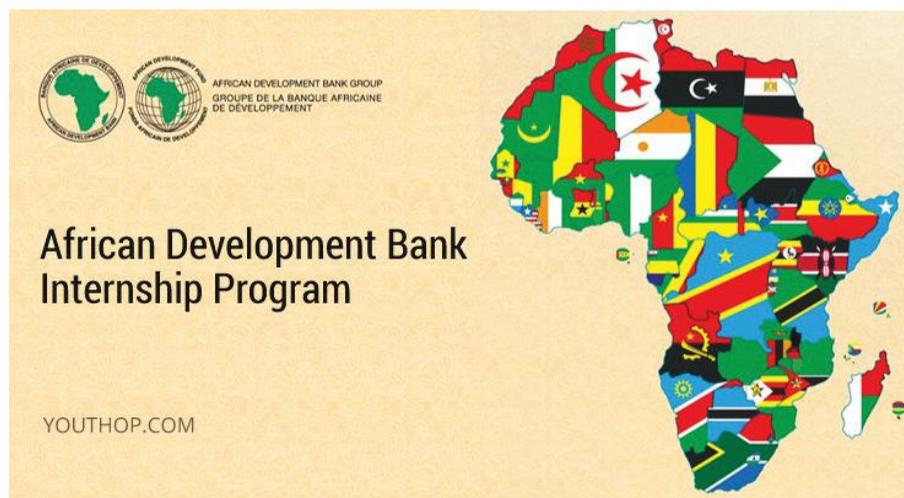
Picture 7.14

Another area where these operations are desperately needed is the provision of credit to small and micro enterprises, an area where corporate private financial institutions remain unwilling to cover as it is very high-cost and risky. Regarding other operations with the private sector, RDBs ought to focus on demonstrating best practices while helping member countries develop their own sources of financing. Developing countries may also centre financial operations in specific sectors, thus providing a decrease in overall risk. One example is mortgage financing. Private or public financial institutions in member countries with realistic monetary and financial policies can concentrate mortgages and sell them in the U.S. as well as in global markets. RDBs can also help in creating instruments to execute these operations. RDBs private sector subsidiaries can embellish these instruments with accurately priced guarantees. Naturally, these operations are more feasible in countries owning proper monetary and fiscal policies and avoiding disastrous devaluations.

THE COMPETITIVE ADVANTAGES OF THE RDBS

Integrating developing countries into the international financial architecture requires coping with four issues: First issue: developing countries have to perform a number of tasks in order to stabilize their economies, like exerting discipline on their fiscal and monetary policies, enhancing their financial systems and diversifying exports via trade liberalization; Second issue: executing the second generation reforms to provide an institutional setting suitable for a modern economy, such as protecting the rule of law, assisting the progress of creating property rights and making sure they are properly carried into effect, providing transparency in economic and political activities, improving financial regulation and monitoring/supervision, reinforcing banks and similar structural reforms; Third issue: countries where the above-mentioned tasks have already been achieved or advanced to a large extent will need to defeat the resistance of markets in financing developing countries on a continual basis; Fourth issue: despite the fact that carrying out the above-mentioned tasks would considerably reduce the risk of financial crisis, it may not help eliminate it completely. In this context, countries must establish mechanisms to deal with financial crises, designed to decrease their negative impacts on countries struggling with them and on the

rest of the developing countries (Hinds, 2002). A sustainable solution to the above-mentioned problems is beyond the authority of the IMF as it essentially deals with short-term liquidity problems and therefore is more prepared for managing financial crises. In the global financial architecture, the tasks carried out by the IMF can be complemented by multilateral development banks because, different from the IMF, they deal with the following: A whole spectrum of factors impacting the financial markets, including financial sector activities, real economic activities as well as social sector activities, which is clearly an advantage considering the fact that numerous financial events are grounded on non-financial segments of the economy; The long-term end of financing, which is essential for providing long-term solution to the problems affecting the international financial architecture (Hinds, 2002); Structural and institutional problems affecting development thus requiring immediate solution in order to provide access to global markets and scale down the economic instability of developing countries. Considering the fact that the World Bank or the RDBs can complement the duties of the IMF, three important questions have to be answered so as to design a new and full-scale international financial architecture:



Picture 7.15

1. Can the RDBs offer value-added activities to the new financial architecture in addition to activities that are already being provided by the World Bank? RDBs are in a position to offer different and unique value-added activities to the new financial architecture. The comparative advantage of the World Bank is that it can shift knowledge and experience across regions. The RDBs, however, have the most advantage to help in resolving problems that require close regional focus and coordination (Hinds, 2002). The afore-discussed financial issues tend to have strong local implications. Common to all developing countries, these issues often take different shapes in different regions. For instance, Latin American economies tend to be less stable and inclined to financial crises than African economies, which however, more often face problems arising from the lack of access to global financial markets. The levels of income in member countries, accordingly the problems that must be resolved so as to integrate them in international financial architecture, also tend to differentiate across regions. Moreover, integration to the international financial architecture does not mean only to help developing countries become a part of global developed markets but it also means to provide integration between the financial systems of developing countries, which is a task easier to perform on a regional-scale as world trade across developing countries often tend to grow stronger first among neighbouring countries. For the reasons mentioned above, RDBs stand in an ideal position to help developing countries in resolving these issues.
2. Should the tasks regarding global financial architecture be formally divided between the World Bank and the RDBs? It would not be quite advantageous for developing countries to assign

tasks in an orderly fashion to these two institutions as a task overlap between them would be inevitable. Given the fact that regional and global problems are inseparably interlinked, the comparative advantages of both institutions are required. Furthermore, task overlap is advantageous for three principal reasons: firstly, it stimulates creativity by combining global and the regional approaches; secondly, it brings a healthy and strong competition; and, thirdly, it allows financially powerful institutions to compensate the shortcomings of others.



Picture 7.16 2018 African Development Bank (AfDB) Young Professionals Program (YPP)

3. What type of coordination should exist between the RDBs and the World Bank? A close coordination between the World Bank and the RDBs as well as between these two and the IMF can bring efficient results in terms of competition. This coordination may require institutions to split tasks and responsibilities for individual cases. Considering the fact that circumstances significantly change from case to case, responsibilities may be required to be split in a realistic and sensible fashion, depending on the advantages that each institution has in terms of handling specific issues in specific regions. However, using instruments and policies designed to resolve the problems mentioned earlier in this chapter, all multilateral institutions have to share responsibilities in the establishment of a more consistent and systematic international financial architecture.



Picture 7.17 The African Development Bank launched on 20 June 2018 its flagship Electricity Regulatory Index (ERI) – a special report that measures the level of development of the regulatory frameworks in African countries and examines their impact on the performance of their respective electricity sectors.

Accordingly, the RDBs must properly prepare to provide help in the construction of a more efficient and secure international financial architecture. Developing countries have been struggling with the problems mentioned earlier in this chapter for a long time now, and the ideas/opinions offered by multilateral institutions to resolve these problems have mostly proven useful or may be proven so with some specific alterations. These instruments, however, were devised for special purposes like dealing with specific crises and have not yet blended into institutional instruments and policies.



your turn 2

Discuss the main objectives of the RDBs keeping in mind the long-term problems that lead to financial crises and developing countries' lack of access to international markets.

FROM RDBs TO MDBs

The MDBs (multilateral development banks) are among the international community's immense success stories during post-World War II period. They were established to address a market failure in long-term cash flow to Europe devastated by the conflict and developing countries and they have been integrating financial capacity and technical knowledge for decades to support the investments of borrowing members during post conflict restructuring, growth incentive, and poverty reduction. The geo-economic landscape, however, drastically changed in the 20th century as well as the demands/needs of the developing world. Developing countries now comprise half of the world economy. The capital market failure that originally stimulated the MDBs is less severe. To manage public investment for the most part, now, almost all developing countries depend on domestic resources, and some of the poorest countries can borrow abroad on their own. Similarly, growth and the globalization of professional expertise on development practice have corroded whatever near-monopoly of consultancy services the MDBs once had (Nancy Birdsall and Scott Morris, 2016).

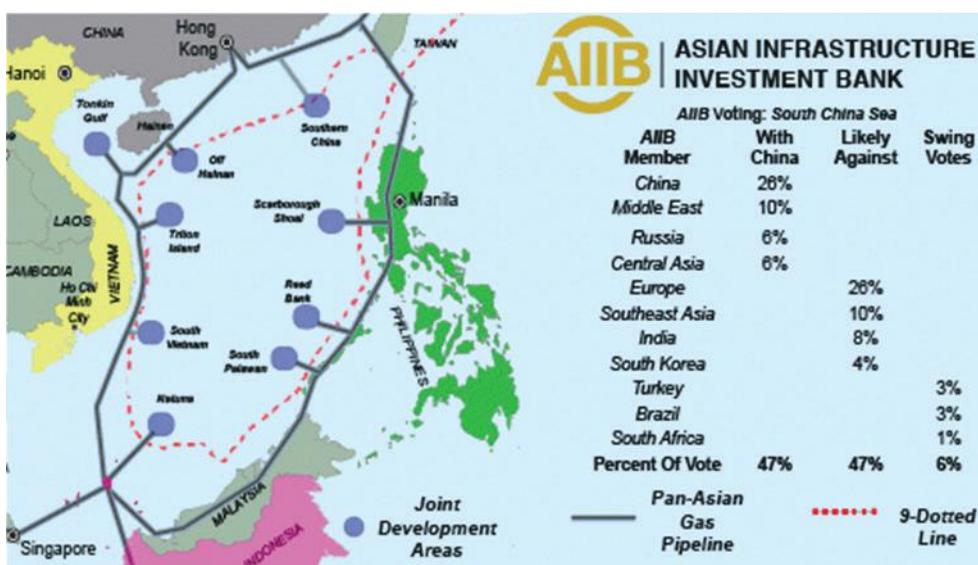
In the meantime, new challenges require for

global joint action, and financing that the MDBs are well adapted to provide but they have been wounded in doing so in an effective manner. The list goes far beyond large-scale financial shocks, where the IMF's role is clear and comprehensive: including climate change, pandemic risk, growing resistance to antibiotics, inadequate management of global migration flows, displaced and refugee populations. Other areas that the IMF should focus on range from the cross-border security, spill-overs associated with increasing competition for water and other renewable natural resources, due to climate change, an ascent in the frequency and human costs of weather and other disasters in low-income countries that are insufficiently equipped to respond. The World Bank intervened with emergency financing for some issues, including the Ebola and Syrian refugee crisis over the past few years. The MDBs, in the meantime, had special financing from some donors who are dead set on dealing with climate change. But the country loan has become the most important product of the MDBs and they had neither the centre mandate nor the type/volume of financing to take efficient action to deal with these new challenges. Additionally, the world economy is entering a relatively long period of low growth (as it is limited to demand) and secular stagnation. In most part of the developing countries, high debt and fiscal restrictions are causing investment in energy, roads, ports, and other infrastructure to decrease, especially when increasing growth of the working population renders public infrastructure crucial to economic growth, and when the opportunity for making innovations in climate-friendly infrastructure can help reinstate sustainable world growth. Although developing countries gathered a large part of their strength after the 2008-2010 global financial crises that mostly affected high-income countries, much of that strength and growth were mainly enabled by low global interest rates and an increased commercial activity within commodity market significantly driven by Chinese demands. The risk of interrupted growth across the world is a reminder of the development success taken place over the past decades, comprising immense reduction in material poverty, child mortality, illiteracy, and fast growth of emerging markets leading to convergence towards incomes of wealthy countries as well as a significant reduction

in global inequality, which was mainly shaped by the economic growth in the developing countries. But it is uncertain whether or not this uptrend will continue. These new and urgent challenges (such as the revival of healthy economic growth rates that stand out among the MDBs' contributions global sustainable development goals) bring common out of balance risks and benefits for the developing countries, also a special need to blend financing, technical and country expertise as well as a coordinated global policy. Although the MDBs no longer hold a monopoly on financing, expertise, and coordination, they remain particularly fitted for combining the abovementioned assets in order to cope with new and various challenges. In brief, if the MDBs no longer existed today, the international community would have to recreate them (Nancy Birdsall and Scott Morris, 2016).

Today, the MDBs do not only exist but they also flourish thanks to growing demand for their services and financing, which however gives a false impression of a crucial need for reinvention if the MDBs are to meet today's urgent challenges as effective as they possibly can. Notably, the legacy MDBs (the World Bank, the Inter-American Development Bank (IADB), Asian Development Bank (AsDB), African Development Bank (AfDB), and European Bank for Reconstruction and Development) have not been quick to adapt to today's realities, including the growing economic role and increasing capability of their borrowers. For instance, their key shareholders agreed to limited modifications in their corporate governance system and leadership selection process, causing tensions with key borrowers who want to exert more influence over the MDB policies and operations. With time, the MDBs became overwhelmed by bureaucracy, resulting in delays and high costs to borrowers, especially for mega infrastructure projects. Consequently, China and other key borrowers took leadership in inventing two new MDBs strongly aimed at providing infrastructure: Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB). More than seven decades ago, there was urgency to establish the first MDB. As the international landscape has changed, a new urgency emerges today calling for stronger, healthier, more flexible, and effective multilateral responses to unparalleled development challenges. (Nancy Birdsall and Scott Morris, 2016).

As today there is a growing global premium on environmental sustainability in a world struggling with the climate change, member governments of the World Bank need to reshape their mission and policies accordingly in order to provide solutions to issues of the global commons and global public goods that remain in the development domain and require an international shareholder ground to respond in a collective manner. In this context, shareholders need to attach importance to regional MDBs in order for these banks to take leadership in providing support to sustainable & sustained development via nationwide and regional operations in all sectors, but especially in boosting infrastructure investments taking the usefulness of low-carbon and climate-resilient economies into consideration.



Picture 7.18

A NEW INITIATIVE

Conceived in 1944 at the Bretton Woods Monetary Conference in Bretton Woods, the World Bank responded to an immediate need to rebuild European countries devastated by the World War II. Its first loan (\$250 million - (\$3.2 billion today) was to France in 1947, aimed at financing the equipment, fuel and raw materials for post-war reconstruction (World Bank 2016). As a matter of fact, to help countries with post-conflict and war reconstruction after has been a fundamental function of the MDBs, like they did for post-war South Korea, Japan, and Bosnia after the breakup of Yugoslavia, post-war Liberia, Côte d'Ivoire and South Sudan. Over the years, the MDBs' role started to expand beyond rebuilding support. The fact that China decided to ask for World Bank help in 1980s and Asian Development Bank (AsDB) support in 1986 has led to an immensely efficient 30-year partnership with the MDBs. According to Chinese officials, the MDBs served as catalysis in encouraging a reform agenda that helped pull almost 700 million people out of extreme poverty only in thirty years. The collapse of the USSR motivated the MDBs to help bring the transition into Central and Eastern European market economies, especially through the establishment of a new MDB, the European Bank for Reconstruction and Development (EBRD) in 1991 (Nancy Birdsall and Scott Morris, 2016).



Picture 7.19 The U.S. Secretary of the Treasury, Henry Morgenthau, Jr., addresses the delegates to the Bretton Woods Monetary Conference, July 8, 1944. <http://www.worldbank.org/en/about/archives/history/exhibits/bretton-woods-monetary-conference>

The role of the MDBs as promoting ideas, policies, and large-scale programs, regularly complementing and building on IMF-supported macroeconomic reforms have been good for economic growth and led to large gains in living standards across the world. The World Bank placed extreme poverty reduction on the global agenda, supported the agricultural research that resulted in the Green Revolution, worked with the WHO and other organizations to eliminate river blindness in the West Africa, encouraged and promoted targeted cash transfer programs, helped Governments in the liberalization of crop prices with the slightest disruption to agriculture, sponsored the economic returns analyses for the education of girls, helped create local capital markets and minimize countries' currency risks via their own financing (Clemens and Kremer 2016). The RDBs have been active partners in the abovementioned initiatives, notably in supporting regional trade agreements and promoting cross-border infrastructure in order to expand regional markets. Ultimately, the legacy MDBs, the World Bank in particular, became home to thousands of special purpose trust funds - including impact evaluation, climate finance, learning assessments, guiding new ideas in aid delivery, rollout of programs supported by philanthropic and western donors such as the Advance Market Commitment, which creates a market for pharmaceutical products designed to cure diseases affecting the poor (Levine, Kremer and Albright 2005) - supported by bilateral donors in order to provide country-specific aid to multilateral organizations (Vera Z. Eichenauer and Simon Hug, 2014) Past successes

demonstrate this special combination of assets brought together by the MDBs: financial resources as well as country and technical knowledge across different economic and social issues, fiduciary capacity and legal capacity, which have been gathered together to support MDBs’ engagement with developing countries, thus helping stimulate economic growth and policy reforms in developing markets over the course of many years.



Picture 7.20

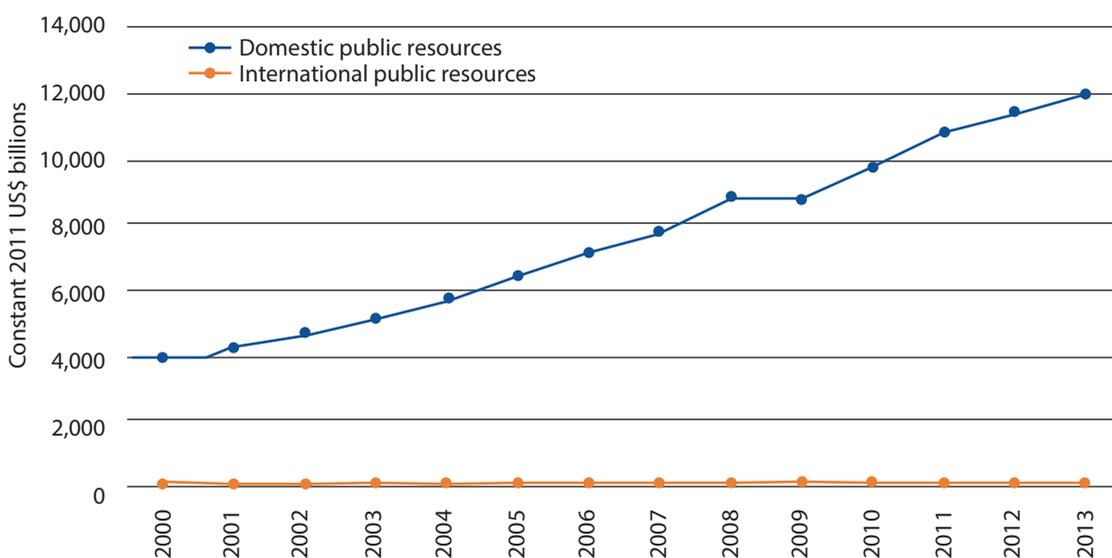


Figure 7.1 Public sources of finance to developing countries

Source: WDI, IMF, World database.

However, the World Bank and the MDBs have not always been right and effective on their policies and programs. The independent evaluation reports on the World Bank greatly justified the critics of the World Bank adjustment programs’ impacts on poverty and development in the 1980s and 1990s. And according to independent reports on the World Bank’s research programs, those programs follow the rules exactly too often to support for orthodoxy over evidence (Banerjee et al. 2006; Easterly 2005; World Bank 1992). Over the last thirty years, the World Bank and the MDBs learned lessons from periods of controversy compared to their policies and have not always made the right decision, greatly increasing the demands of the institutions’ supporters for accountability and transparency. Furthermore, reports of independent MDB evaluators featured problems regarding operational, program, and policy matters, such as approaches to public sector reform that have produced few results, private sector investments that have crowded

out rather than crowded in private capital, and operational safeguards that have made interaction with the banks too difficult and demanding (Nancy Birdsall and Scott Morris, 2016).

A NEW FINANCIAL ARCHITECTURE

The MDBs and their shareholders, some of the key actors in the global development effort, take pride in the colossal progress that has been made. However, the world is now entering an era that seems quite different from the one where the legacy MDBs were at the peak of their influence. In line with this statement, two things have changed: a) the fast economic growth of China and other emerging markets in the last 30 years has changed drastically the geo-economic scene. Borrowing member countries now comprise two-thirds of the global economy, and they use more their own resources to finance their development than the resources provided by multilateral banks and other international public resources (Figure 7.1). As mentioned earlier, the MDBs have been created to address market failure in long-term capital flows to low-income countries. But in a world where poor countries like Ghana and Tanzania are now able to put 10-year sovereign bonds in the market at 6–7 percent, that specific market failure does not look so severe. The changes occurred in relative influence and market access of developing countries can be viewed in the breakdown of the MDBs' traditional boundary between borrowing and non-borrowing countries. Today, China, Brazil, Russia, and India provide foreign aid to low-income countries. For this specific purpose as well as political and economic reasons, China established the new Asian Infrastructure Investment Bank (AIIB), and along with Brazil, Russia, India and South Africa, the New Development Bank (Nancy Birdsall and Scott Morris, 2016) b) Today, most of the developing countries have domestic or international access to consultancy services, policy ideas, and useful examples of good practice that seemed to be monopolized by the MDBs during the late 20th century. With regard to economic and social policy problems, developing countries are now less dependent on the single-remedy approaches they see as having dominated the creditor-influenced legacy multilaterals (Birdsall et

al. 2010; Rodrik 2009). Today, rather than being a prevailing source, the MDBs are now one among a number of sources for ideas and advice racing to catch developing countries' attention.

The legacy MDBs adapted too slowly and very little to the growing economic role, sophistication and capability of their borrowers as well as to current development challenges. For instance, the legacy MDBs still continue to depend largely on lending to sovereigns, except for the EBRD, as attaching importance to private sector development has been adopted as a founding principle of the EBRD. The legacy MDBs' portfolio of cross-border loans is very small especially with regard to regional infrastructure needs. And they seldom use the full array of instruments they possess, including grants, equity, guarantees, and policy leverage, to crowd in sustainable private investment. But, why have the legacy MDBs adapted too slowly to the changing economic scene? That is because, age and overwhelming bureaucracy have affected them negatively, especially the World Bank, where political pressures and close inspection by the NGOs have brought negative impacts on the legacy MDB operations, thus making traditional donors very alert to rumours of corruption, waste, human rights abuses, and environmental injustices (Mallaby 2006; World Bank 2009). In reaction to these pressures, the legacy MDBs have gradually become overwhelmed with a non-stop adoption of new rules and processes meant to eradicate corruption and legitimate aims like environmental and social protection. These new rules and processes, however, often failed to achieve the abovementioned aims effectively or to serve the comprehensive development mission of the institutions. So, the result was borrower frustration across the world, with disruptive factors increasing the costs and delays of mega infrastructure projects. Another reason for the slow adaptation was that the adjustments made in the governance of the legacy MDBs were too minimal as the official governance is largely dominated by the western donors/creditors. Small adjustments in governance, notably in the World Bank, caused a frustration in emerging markets in terms of political ambitions, preventing them from undertaking higher leadership roles at the global scale (Nancy Birdsall and Scott Morris, 2016).

**your turn 3**

Comparatively analyse the roles of the MDBs, the IMF and the World Bank in terms of financing and taking global action.

Conclusion and Lessons Learned:

In light of the fact that banking is a commercial activity, thus it naturally goes toward the projects that can generate profit/revenue in an “acceptable” period of time; our aim in this chapter was to describe and identify the past, the present and the future of the RDBs, which were initially established to meet the financing needs of necessary, yet non-revenue generating or long-term revenue generating investments in countries or regions. However, it can be seen that the RDBs’ (initially created as a solution) motivation for finding and providing financing was not only based on

humanitarian or public benefit reasons, but it also aims to prevent and manage financial crises that may spread from one region to another. In light of the abovementioned facts, the definition of the RDBs, their mission, their shareholder structure, their lending and funding mechanisms, and the tasks they perform today have been explained in detail in this chapter by referencing distinguished researchers and scholars carrying out scientific and practical studies on this very subject. In addition to the information we provided herein, we have also expressed propositions in relation to the different forms and shapes the RDB can take in the future, and different tasks they might perform.

When forecasting the future, we obviously need to take into account the possibility that institutions existing today may disappear tomorrow, or institutions that do not exist today may emerge in the future; thus calling a deeper analysis of present institutions to provide a more accurate picture of future conditions and designs in which financial institutions will continue to exist.

LO 1

Understand the main features of regional development banks

The regional development banks (RDBs) are multilateral financial institutions that provide financial and technical assistance for development in low and middle-income countries within their regions. Finance is allocated through low-interest loans and grants for a range of development sectors such as health and education, infrastructure, public administration, financial and private-sector development, agriculture, and environmental and natural resource management. The RDBs are owned by member governments of both regional and non-regional countries. Each member is a shareholder of the institution. The RDBs have internal organizational structures similar to each other. Run by their own management and staffed by international civil servants, each RDB is supervised by a board of governors, a board of executive directors, and a president. Most of the RDBs have two main funds called “hard” and “soft” lending windows. The hard lending windows provide financial assistance in the form of loans non-concessional assistance to middle-income countries, some creditworthy low-income governments, and private firms in developing countries. The soft lending windows provide grants and concessional loans to the region’s poorest governments. The RDBs’ hard and soft lending windows get their funding in different ways. The hard lending windows borrow on international capital markets at reasonable rates and relend the money to developing countries. The soft lending windows, on the other hand, are financed by contributions from richer countries and are replenished every three to five years.

LO 2

Evaluate the reasons why regional development banks were designed

RDBs have been established to play new roles in the redesign of international financial architecture as necessitated by the prolonged instability of developing countries and the volatility of their access to the global financial markets. Although primarily related to developing countries, these problems also affect the developed economies and the rest of the world in general. The participation of developing countries in international financial markets is still relatively small compared to total worldwide transactions. The lack of a sustainable integration of developed and developing markets is also an important factor deterring progress in developing economies, which results in inefficiency of worldwide allocation of resources. Accordingly, RDBs were designed to meet the following objectives: Helping member countries to develop their domestic financial markets, so that they can mobilize their own savings for development purposes; Bringing member countries to global financial markets in a sustainable manner; with their insufficient resources, making the pro-cyclical behaviour of private sources of financing less severe.

LO3

Describe the similarities and differences between regional development banks and multilateral development banks

The regional development banks (RDBs) are multilateral financial institutions that provide financial and technical assistance for development in low and middle-income countries within their regions. Finance is allocated through low-interest loans and grants for a range of development sectors such as health and education, infrastructure, public administration, financial and private-sector development, agriculture, and environmental and natural resource management. Most of the RDBs have two main funds called “hard” and “soft” lending windows. The hard lending windows provide financial assistance in the form of loans non-concessional assistance to middle-income countries, some creditworthy low-income governments, and private firms in developing countries. The soft lending windows provide grants and concessional loans to the region’s poorest governments. The MDBs, on the other hand, are among the international community’s immense success stories during post–World War II period. They were established to address a market failure in long-term cash flow to Europe devastated by the conflict and developing countries and they have been integrating financial capacity and technical knowledge for decades to support the investments of borrowing members during post conflict restructuring, growth incentive, and poverty reduction. Over the years, the MDBs’ role started to expand beyond rebuilding support.

1 In the strictest sense, the process of taking in funds from depositors and then lending them out to borrowers is called:

- Multilateral development
- Regional development
- Financial intermediation
- Financial institution
- Regional organization

2 What was the main purpose of the pre-1980s financial policies, (especially in the 1960s and the 70s)?

- to reduce inflation
- to boost industry and development
- to provide more loans
- to help stabilize exchange rates
- to help stabilize interest rates

3 What does BCBS stand for?

- Banking Committee for Borrowing Sector
- Basel Commission for Borrowing Supervision
- Borrowing Council for Banking Sector
- Basel Committee for Banking Supervision
- British Council for Banking Sector

4 The 1988 Basel Accord approved by

- Group of Five (G5)
- leaders from the G-8 countries
- regulators from the United States House of Representatives
- governors from Great Britain
- regulators from the G-10 countries

5 RDB usually refers to four institutions. Which of the choices below is not one of these institutions?

- World Bank
- African Development Bank (AfDB)
- Asian Development Bank (ADB)
- European Bank for Reconstruction and Development (EBRD)
- Inter-American Development Bank (IDB)

6 Two main funds provided by the RDBs are called:

- “long” and “short” lending windows
- “long-term” and “short-term” lending windows
- “hard” and “soft” lending windows
- “corporate” and “institutional” lending windows
- “personal” and “commercial” lending windows

7 The integration of the developing countries into global markets should be further developed to prevent crises. Also, the RDBs may expand this objective by supplying another instrument: IMF's (CLL) introduced in 1999. What does CLL stand for?

- Commercial Crisis Loan
- Contingent Corporate Loan
- Cooperative Credit Line
- Commercial Credit Line
- Contingent Credit Line

8 Which institutions were established to address a market failure in long-term cash flow to Europe devastated by the conflict and developing countries?

- Regional Development Banks
- Multilateral Development Banks
- World Bank
- International Monetary Fund
- Central Banks

9 World Bank's first loan aimed at financing the equipment, fuel and raw materials for post-war reconstruction was to which country?

- France
- Germany
- Poland
- Italy
- Turkey

10 Which of the following is not a legacy MDB?

- World Bank
- Inter-American Development Bank
- African Development Bank
- European Bank for Reconstruction and Development
- Federal Reserve Bank of New York

1. c	If your answer is incorrect, review the section on “An Overview on Banking System”	6. c	If your answer is incorrect, review the section on “What is the role of Regional Development Banks?”
2. b	If your answer is incorrect, review the section on “An Overview on Banking System”	7. e	If your answer is incorrect, review the section on “Main Objectives of the RDBs”
3. d	If your answer is incorrect, review the section on “An Overview on Banking System”	8. b	If your answer is incorrect, review the section on “From RDBs to MDBs”
4. e	If your answer is incorrect, review the section on “An Overview on Banking System”	9. a	If your answer is incorrect, review the section on “A New Initiative”
5. a	If your answer is incorrect, review the section on “What is Regional Development Bank (RDB)?”	10. e	If your answer is incorrect, review the section on “From RDBs to MDBs”

Discuss the reasons why the banking system is mainly characterized by intense competition through considering the survival of financial institutions depend on their engagement in a fierce competition between other fund seeking persons/institutions.

your turn 1

The weakness of banking system in a country, developing or developed, is a great threat to its financial system as well as to the stability of international financial markets, which is why the banking system is essentially characterized by intense competition, a never-ending race where you seek every opportunity to pull ahead of your competitors. Every business defines its own strategy of growth and development based on their mission and vision statements. That is why maybe the definition of risk should be different for each company. The survival of financial institutions also depends on their engagement in fierce competition between other “fund seeking” persons or institutions for attracting depositors’ savings. In the same way, they must compete with “fund lending” persons and institutions too in order to lend those funds out to investors. This situation helps financial markets become specialized while spreading the idea of portfolio management. Depositors looking for investors, or investors seeking for funds in an economy, where there is no financial intermediation, results in a number of costs. In an environment where neither investment nor saving is responsive to interest rate, which is the cost and price of both items, neither party (depositors and investors) would be satisfied.

Discuss the main objectives of the RDBs keeping in mind the long-term problems that lead to financial crises and developing countries' lack of access to international markets.

your turn 2

RDBs aim for helping member countries to develop their domestic financial markets so that they can mobilize their own savings for development purposes; bringing member countries to global financial markets in a sustainable manner; making less severe, with their insufficient resources, the pro-cyclical behaviour of private sources of financing. To achieve these objectives, RDBs would need to develop new financial instruments; plan and fashion particular lending policies; bring their capacity to produce and disseminate knowledge/ best practices into a more desirable condition. Accordingly, RDBs would also need to address to two issues: help businesses improve access to financial markets and survive financial crises. In order to help countries get sufficient financial resources for their needs, lending policies should be designed under two main objectives: improving domestic financial markets of member countries and integrating them into the global markets, thus bringing under control their foreign dependency. As for the RDBs' contribution to the prevention and management of financial crises, the RDBs need an instrument to conduct liquidity in case of a financial crisis, with similar characteristics to those used by the IMF in terms of maturity and conditions of disbursement. And to complete this instrument, the RDBs need to re-design the instruments used for the recapitalization of the financial system, making disbursements contingent on the occurrence of actual government spending for this very purpose (Hinds, 2002).

Comparatively analyse the roles of the MDBs, the IMF and the World Bank in terms of financing and taking global action.

your turn 3

MDBs were established to address a market failure in long-term cash flow to Europe devastated by the conflict and developing countries and they have been integrating financial capacity and technical knowledge for decades to support the investments of borrowing members during post conflict restructuring, growth incentive, and poverty reduction. In the meantime, new challenges require for global joint action and financing that the MDBs are well adapted to provide but they have been wounded in doing so in an effective manner. The list goes far beyond large-scale financial shocks, where the IMF's role is clear and comprehensive: including climate change, pandemic risk, growing resistance to antibiotics, inadequate management of global migration flows, displaced and refugee populations. The World Bank intervened with emergency financing for some issues, including the Ebola and Syrian refugee crisis over the past few years. The MDBs, in the meantime, had special financing from some donors who are dead set on dealing with climate change. But the country loan has become the most important product of the MDBs and they had neither the centre mandate nor the type/volume of financing to take efficient action to deal with these new challenges.

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Chapter 8

International Non-Governmental Organizations and their Role in a Regional Perspective

After completing this chapter, you will be able to:

Learning Outcomes

- 1 To understand the role of International Non-Governmental Organizations (INGOs) in World politics
- 2 To differentiate INGOs from the other non-state actors
- 3 To learn about INGOs contribution to the international and regional intergovernmental organizations (IGOs)

Chapter Outline

The Growing Importance of INGOs in the International Relations
Definition and Classification
INGOs at Intergovernmental and Regional Organizations

Key Terms

State-centric Paradigm
Global Governance
Normative Issues
Democratic Deficit
Legitimacy
Paradigm
Environmental Degradation
Unit of Analysis
Participatory Democracy
Recognition
Delegate tasks
Human Rights Violation
Just World
Pluralist Society



INTRODUCTION

International non-governmental organizations (INGOs) have become an integrated part of international politics where they play significant roles that fit their agenda. As a result, they have been active not only in the developed world but also in the third world countries, even including the totalitarian and authoritarian regimes. Their active role in political, economic, and socio-cultural matters was facilitated by the end of Cold War which created a fertile ground for a greater involvement of non-state actors of international politics, particularly the INGOs.

Non-State Actors (NSA) are social and political collectivities, created by civil societies and/or individuals, which play a role in IR, but lack state sovereignty. There are different NSAs such as Trans-national or Multinational Corporation (TNC, MNC), Non-governmental Organization (NGO), terrorist group and organizations, international criminal groups, media, etc.

Over the past three decades, some eminent IR scholars such as Robert O. Keohane, Joseph S. Nye, James N. Rosenau and Ernst-Otto Czempiel have put forward that states, major actors for the international relations since the Westphalia Peace Treaty of 1648, have lost their autonomy in a globalizing world.



important

The Treaty of Westphalia in 1648 did not restore throughout Europe but it paved the way for the national self-determination. Treaty provided the foundation of modern state system and also articulated the concept of territorial sovereignty.

States, in fact, have not only lost power but also had to share some of their powers in terms of political, social and security areas with non-states actors. This has suggested the declining

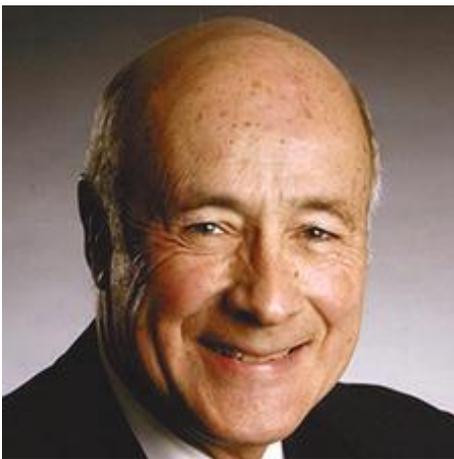
role of states vis-à-vis non-states actors. Such a dynamic shift among states, private sectors, and civil society has brought about a new set of issues, challenges, and opportunities for a tremendous amount of INGOs. Besides, they have risen to greater prominence in almost every space in the world. Many INGOs have started to promote their interests through international or regional organizations. Because of their growing roles in the stage of international politics, it is now essential for the scholars of the International Relations (IR) to pay greater attention to the INGOs for a more coherent and comprehensive analysis. This chapter first segues into the history and the growing role of INGOs in international relations. It then makes a clarification about the definition and classification of INGOs. Finally, it presents cases of INGOs' partnerships with the selected international and regional intergovernmental organizations (IGOs).

THE GROWING IMPORTANCE OF INGOS IN THE INTERNATIONAL RELATIONS

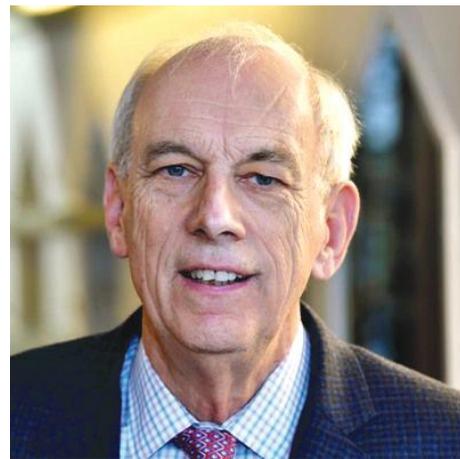
The number of the INGOs has increased exponentially over the last decades, mostly because of the opportunities they were able to flourish. In parallel to the increase in a number of INGOs, diversification, in terms of area of activity, focus, size, and composition have also taken place. Given that they play roles in some specific areas that are more significant than those the states do, and that they actually outnumber both the states and the intergovernmental organizations, it becomes apparent that a thorough study of the INGOs is imperative for a better understanding of international politics which is, thus, no longer based on the recognition of nation-states as main units of analysis. As it is by now well known that while some mainstream IR theories such as Realism and Marxism have overlooked the politics of INGOs in the international relations, others like liberalism or pluralism have underlined their potential for understanding of the global order, "locating the bridging role that INGOs play for many issues and across many societies" (DeMars and Dijkzeul, 2015).

Unit of analysis is the major entity that is being analyzed in a study. It is the ‘what’ or ‘who’ that is being studied. In social science research, typical units of analysis include individuals, social or private organizations, states (most common), and international organizations, and so forth.

The involvement of INGOs, very diverse in nature, and large in number, in world politics brings the need of significant alterations in the existing paradigms and analyses, as the study of international relations has historically focused only on inter-state relations, a small part of global transactions (Gale, 1998). Joseph S. Nye, Jr. and Robert O. Keohane (1971: 329), prominent scholars of international politics, join this view, noting that “students and practitioners of international politics have traditionally concentrated their attention on relationships between states. State, regarded as an actor with purposes and power, is the basic unit of action; its main agents are the diplomat and soldier”. By introducing the concept of complex interdependence, Nye and Keohane (1971: 330) stress that “the environment of interstate politics, however, does not include only these powerful and well-known forces. A good deal of intersocietal intercourse, with significant political importance, takes place without governmental control”.



Picture 8.1 Joseph S. Nye, Jr.



Picture 8.2 Robert O. Keohane

Anne-Marie Slaughter (1997), too, believes that the world order is not the one that has long been depicted by the proponents of state-centric paradigm. Slaughter (1997: 183) draws attention to the failure of the international order based on the nation-states and the intergovernmental organizations and asserts that the routine proclamations of new world order by world leaders are in fact illusions since such attempts have for the most part referred to a system that relies on the proper functioning of nation-states. She argues that an international political order solely based on nation-states and intergovernmental organizations needs a central authority that is to be charged with regulating the conduct of world politics is a chimera (1997: 184).

Slaughter’s suspicion for the validity of this alternative derives from two interrelated reasons. To begin with, the influence of transnational actors in world politics does not necessarily mean the extinction of nation-state. Secondly, the transnational actors’ gaining eminence should not lead us to conclude that states are losing control



Picture 8.3 Anne-Marie Slaughter

and prominence (1997: 184). For Slaughter, the new – and real- world order is based on the cooperation between the states and transnational actors in global problems. Resolving those problems needs power, which could mainly be provided by governments. For this reason, “governance without government” is not a viable alternative to a state-centric system (Slaughter, 1997: 183-197).

State-centric paradigm, thus, now fails to depict properly and definitely the outlook of world politics. For this reason, it is not adequate to consider the states alone as the main constituents of global governance which lacks a central authority with precise decision-making and implementation powers. In the absence of such an authority and in the presence of the complexity in the conduct of global governance, the INGOs become more relevant and influential. They now play numerous and sometimes determinative roles, relying on a wide range of strategies and methods for greater legitimacy and recognition on the international stage.



In an edited book titled as “Governance Without Government : Order and Change in World Politics”, Rosenau and Czempiel (2002) argue that a world government capable of controlling nation-states has never evolved. Nonetheless, considerable governance underlies the current order among states, facilitates absorption of the rapid changes at work in the world, and gives direction to the challenges posed by interstate conflicts, environmental pollution, currency crises, and the many other problems to which an ever expanding global interdependence gives rise.

State-centrism is a key concept in discussions of sovereignty, justice, and the global political order and of changes within that order. Earlier approaches were marred by excessive state-centrism, and need to be reconsidered in the light of contemporary circumstances’.

Relying on this recognition and legitimacy, transnational actors seek ways for further involvement in global issues which now apparently require extensive cooperation and collaboration. This means that INGOs exist not to undermine the power or role of the states; rather, they are active to create harmony in the handling of international issues as resolving those issues require enforcement ability. In a number of areas, states seem to be willing to recognize the role of the INGOs and to delegate relevant tasks which they consider more appropriate for their areas of expertise. This refers to the emergence of a transnational paradigm in which masses are allowed to express their concerns through the INGOs and have their say on global issues. The rise of the INGOs as pieces of global governance is often attributed to the sensed inability of the states in addressing and resolving global problems, particularly those related to human rights violations and environmental degradation.

Global governance is a movement towards political cooperation among transnational actors (states, intergovernmental organizations, NGOs, etc.), aimed at negotiating responses to problems that affect more than one state or region.



Figure 8.1

Due to the unwillingness and sometimes reluctance of governments to take proper action, the INGOs form “a vast number of connections across national borders and inserting themselves into a wide range of decision-making processes on issues from international security to human rights to the environment” (Florini and Simpsons, 1999: 3). In other words, they assume roles where national governments are unable or unwilling to address a certain issue, filling a void that has been left unattended. Their contribution to the construction of a more democratic way and just world is acknowledged in both academic and government circles, and this is why they are allowed to join international legal and political deliberations.

The INGOs have been successful in a number of endeavors and initiatives, particularly when they deal with a normative issue. However, their influence and success are not limited to such issues as human rights and environmental issues; they have also been successful in what could be regarded as issues of high politics, including the international security. Additionally, the INGOs have been active in not only developed and democratic countries but also in non-democratic and repressive ones. This confirms that the INGOs, although originated in the West, have become a global component of international policy-making.

important

Normative issue is concerned with how people should act, what sort of person one should be or what sorts of policies should be implemented. It is normative in the sense that it identifies the norms and/or standards of right and wrong actions and behaviors.

important

The concept of **high politics** covers all matters that are vital to the very survival of the state: namely national and international security concerns. On the term **low politics** covers other issues such as economics, social, environmental, and so forth.

General conviction in the literature suggests that the end of the Cold War and the dissolution of the bipolar world order created greater opportunities for the INGOs for several reasons. First, in the absence of constant friction between two major poles in world politics, the players of international politics had more incentives towards international cooperation in favor of humanitarian action rather than interstate rivalries. Second, recognition of global and regional problems by the international community amplified the significance of the role that the INGOs may play to address these problems. Multilateral processes were thus viewed as proper avenues for the INGO involvement. Their growing presence in the UN-led initiatives was a direct result of this tendency. Third, the INGOs were able to exercise greater influence because of the inherent advantage associated with their features and characteristics. The INGOs may, by virtue of their small size and flexible administration, easily adapt themselves to the changing circumstances and avoid complex procedures mostly peculiar to bureaucracies of national governments. In addition, the INGOs have a specialized focus, enabling them

to concentrate their resources on a single issue without any distraction. Because of their disassociation with national governments, the INGOs enjoy relative independence and neutrality increasing the chance of their success in their actions and initiatives.



Figure 8.2

Successfully enjoying these opportunities and inherent advantages, the INGOs have managed to infiltrate in diverse spheres and domains of international and regional politics. In recognition of their growing influence and role, the INGOs are now considered significant players in international politics and pieces of global governance that assume responsibilities and take actions in response to global issues. Their involvement may take different forms, ranging from participation in international law-making to the drafting of regional policies, as well as playing roles as complementary actors.

your turn 1

Think about one of the most fundamental questions of the international relations literature given below. Whether the scope of international relations should be limited to state-centric paradigm as the realists argue or whether it should encompass additional actors like INGOs as the pluralists maintain?

DEFINITION AND CLASSIFICATION

Before going into the details about INGOs and their role both at international and regional levels, it is essential to determine the definition and conceptual clarifications for INGOs. Customarily in the IR literature, the NGOs are considered part of what is called non-state segment of international players. The lack of formal association with the state is the underlying rationale for such a categorization. Oddly enough, this is an inadequate description since many other players may just fall into the same category of non-state actors. Despite the need for a working definition that matches all aspects of an NGO, a number of attempts have been made for a proper understanding of the concept. The absence of strong theoretical inquiries into their activities and framework of influence is also another shortcoming that needs to be overcome.

The role of the INGOs is recognizable when they establish coalitions or make strong connections with states or intergovernmental organizations. However, even reputable INGOs may still, despite their undisputed influence, suffer from lack of a legal setting in international politics. Instead, most INGOs have to rely on the status defined in national laws. Currently, legal personality of an INGO is created through recognition by national jurisdictions, with a limited window of opportunity provided by intergovernmental organizations, particularly the UN.

The UN, centerpiece of global governance, offers a limited legal status in form of accreditation for the INGOs. Some prerequisites for admission into this status, albeit not formally identified, might be underlined. In this respect, Peter Willetts (2001), an eminent scholar studying civil society actors, provides at least fifth principles in order for an INGO to qualify for the definition of the UN. First, an INGO needs to work in furtherance of the goals and objectives of the UN. Second, an INGO should allow fair representation by members, establish a headquarters, and employ officers. Third, an INGO should be a non-profit organization without engaging in business or corporate activities. Fourth, an INGO should declare it will not rely on any violent measure whatsoever to pursue its goals. Fifth, an INGO should not act in a way that could be interpreted as an interference with the internal affairs of states.

Even this set of principles fall short to offer an overall definition of an NGO which is inherently diverse and vague. Some INGOs proclaim a broad mandate whereas others may confine themselves to a specific agenda and cause. While some maintain a presence in a vast geography, some others may prefer remaining local or regional. It all depends on how an INGO identifies itself, its orientation and its goals. Naturally, their audience, the type of problems they are addressing, their constituency as well as opportunities they are able to enjoy all have to impact upon the kind of INGO that emerges.



Figure 8.5



Figure 8.6

For instance, the INGOs are more concerned about how to make a contribution to the making of international law whereas national or regional NGOs are often focused on local political issues. Likewise, third world NGOs may employ domestic government whereas NGOs in developed countries have a strict code by which they prohibit admission of members with government connections. Additionally, while most third world NGOs are dedicated to the resolution of the economic problems and pay greater attention to humanitarian issues, the NGOs in the developed world are more focused on civil and political rights, and, for instance, committed to fair trial. These NGOs address problems pertinent to a violation of fundamental human rights rather than the betterment of a certain community or group and believe “in a pluralist society functioning within a framework of rules impartially applied to protect individuals against state interference” (Steiner, 1981: 15-16).

It should be noted that lack of governmental support for their activities and the huge diversity in terms of their orientation and structure does not necessarily mean that INGOs are weak or ineffective. To the contrary, thanks to their diverse nature and flexibility, the INGOs are better able to address normative issues including human rights violations and environmental degradation. Similarly, their independent and private status enables the INGOs to act free of political oversight by the state. More importantly, because they do not have to consider the possible impact of their action upon a certain foreign policy design, the NGOs are often able to concentrate on a certain agenda. The proceeding sections dwell upon the role of INGOs in the international and regional organizations.



your turn 2

Although the INGOs have become an important player of the global governance, are they better equipped with addressing normative issues such as human rights violations, environmental degradation, and gender problems than other political issues concerning the major interests of the nation-states? Evaluate this situation with your understanding of INGOs.

INGOS AT INTERGOVERNMENTAL AND REGIONAL ORGANIZATIONS

Official status recognized in the founding treaties of intergovernmental organizations (IGOs), created through interstate cooperation, offers a fertile ground and great opportunities for the involvement of NGOs in both policy-making and legal processes. Those INGOs with a global outlook pay particular attention to making sure that they are admitted in the setting as prescribed by an IGO. This both increases their legitimacy as a player of international politics and enables them to participate in the activities of the organization. In often cases, these activities are focused on settlement of regional problems, making the INGOs develop a regional perspective.

An intergovernmental organization or international governmental organization (IGO) is an organization composed primarily of sovereign states (referred to as member states), or of other intergovernmental organizations. Intergovernmental organizations are called international organizations, although that term may also include international non-governmental organization such as international nonprofit organizations or multinational corporations. Intergovernmental organizations are an important aspect of public international law. IGOs are established by a treaty that acts as a charter creating the group. Treaties are formed when lawful representatives (governments) of several states go through a ratification process, providing the IGO with an international legal personality.

A commonly used opportunity by the INGOs to participate in the initiatives and activities of the IGOs is the official status recognized by the UN Charter. Even though the initial draft discussed at the San Francisco Conference did not include any reference to the INGOs, the ambitious contribution by the civil society groups attending the event changed the course of action. Nearly 1,200 voluntary organizations which participated in the deliberations. Their efforts culminated in recognition of their consultative status with the UN.

The arrangements for consultation work with INGOs are made in accordance with UN ECOSOC Resolution 1296 (XLIV) (1968) as follows:

1. The organization shall be concerned with matters falling within the competence of the Economic and Social Council with respect to..... human rights.
2. The organization shall be of a representative character and of recognized international standing; it shall represent a substantial proportion, and express the views of major sections, of the population in different regions of the world.



Under Article 70 of the UN Charter, the NGOs are recognized the following status: "The Economic and Social Council may make arrangements for representatives of the specialized agencies to participate, without vote, in its deliberations and in those of the commissions established by it, and for its representatives to participate in the deliberations of the specialized agencies."

The rights recognized to the NGOs as consultative bodies include "to receive the provisional agenda of ECOSOC or its subsidiary bodies and to propose the inclusion of new agenda items," "to attend public meetings of ECOSOC," "to submit statements and have them circulated to ECOSOC," and "to make oral statements before ECOSOC" (Wouters and Rossi, 2001: 8). Their consultative status is meant to enable INGOs to

actively participate in drafting discussions. They have entitled the right to proposing ideas for inclusion and providing support for why those ideas are worth being incorporated into a draft text under discussion.



Figure 8.7

important

Article 71 of the UN Charter further states: “The Economic and Social Council may make suitable arrangements for consultation with non-governmental organizations which are concerned with matters within its competence.”

Article 71 of the UN Charter has been re-interpreted broadly, apparently in favor of greater INGO participation in the UN proceedings and initiatives. This allowed an increasing number of INGOs to engage themselves in the activities of different UN bodies. INGOs have been permitted to submit formal interventions, particularly concerning human rights-related matters discussed at such UN bodies as like the Committee on Economic, Social and Cultural Rights (CESR), the Committee on the Rights of the Child, and the Committee against Torture. Women’s human rights groups have also been very ambitious to monitor procedure before the Committee on the Elimination of All Forms of Discrimination against Women (CEDAW) even though no formal permission to do so has ever been granted (Mertus, 2002: 22).



The Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW) is an international treaty adopted in 1979 by the United Nations General Assembly. Described as an international bill of rights for women, it was instituted on 3 September 1981 and has been ratified by 189 states. For further information: <http://www.un.org/womenwatch/daw/cedaw/>

Even though this brief survey of INGO participation in UN activities gives the impression that those INGOs gaining a consultative or other similar statuses will conduct the global or international operation, regional dimension plays a determinative role even at the stage of setting up an organizational basis. The Committee on Non-Governmental Organizations a standing committee of the Economic and Social Council (ECOSOC) that was established by the Council in 1946, is responsible for matters concerning the admission and accreditation of the NGOs. It reports directly to ECOSOC, and the two reports of its annual regular session (usually at the end of January) and resumed session (in May) include draft resolutions or decisions on matters calling for action by the Council.

To ensure fair representation, 19 members of the Committee in the ECOSOC are elected on the basis of the following scheme:

- 5 members from the African States;
- 4 members from the Asian States;
- 2 members from the Eastern European States;
- 4 members from the Latin American and Caribbean States; and
- 4 members from the Western European and other States.

The term of office of its members is four years. The current terms of reference of the Committee are set out in Resolution 1996/31. In its proceedings and activities, the Committee is administered by the rules of procedure of the Council. For the period 2015-2018, members of the NGO Committee are as follows: Azerbaijan, Burundi, China, Cuba,

Greece, Guinea, India, Iran, Israel, Mauritania, Nicaragua, Pakistan, Russian Federation, South Africa, Sudan, Turkey, United States of America, Uruguay and Venezuela.



For further details about the composition and upcoming sessions for the NGO Committee, follow the link: <http://www.un.org/esa/coordination/ngo/committee.htm>

The main tasks of the Committee include, but are not limited to, the consideration and review of applications for consultative status and requests for reclassification filed by NGOs; the consideration of quadrennial reports submitted by NGOs in what are called as general and special categories; the implementation of the provisions of Council resolution 1996/31 and the monitoring of the consultative relationship; and any other issues which the ECOSOC may request the Committee to consider.

The Committee's decisions are considered recommendations without having a legally binding effect, in the form of draft decisions calling for action by the Council. These recommendations are reflected in Part I of the Committee's reports. Once an application from an INGO has been reviewed and approved by the Committee it is only considered a recommendation for consultative status. At its next meeting, the Economic and Social Council reviews these recommendations by the Committee takes Committee's report into account and makes its final decisions. Therefore, an INGO is granted a consultative status only after the Committee's recommendation becomes a formal ECOSOC decision.

Council of Europe and INGOs

Council of Europe (CoE) is one of the major regional intergovernmental organizations, focusing on the political, social, cultural and economic affairs of the European continent and serving as a common platform and forum of interstate cooperation.

Through its roles, the Council represents a fairly regional aspect of international politics. For this reason, the institutional framework defined for the participation of INGOs in its activities bears huge importance for the sake of a discussion on a regional perspective of non-governmental influence.

The Council, in line with its mission and mandate of promoting human rights and democracy, as well as other relevant normative notions and practices, has been eager to establish cooperation with the civil society sector, as often represented by the INGOs. The framework of cooperation is fairly institutional and favorable to the INGOs as a way to facilitate their participation in the Council's actions and deliberations.

important

- ! **European Council:** an institution of the European Union that consists of the heads of government of the EU Member States, the European Commission President and the High Representative for Foreign Affairs & Security Policy. It's located in Brussels, Belgium, but meetings are often held in the other cities.
- ! **Council of the European Union:** another institution of the European Union that consists of ministers of the EU Member States who discuss and prepare EU legislation. Together with the European Parliament, it's the main legislative body. It's located in Brussels, Belgium.
- ! **Council of Europe:** an international organization that parallels the European Union. It focuses on democracy, human rights and cultural exchange, and is best known for the European Convention on Human Rights. It has its own institutions, including a Committee of Ministers and a Parliamentary Assembly, and, of course, the European Court of Human Rights. The Council of Europe has 47 member States, including, for example, Azerbaijan, Russia, Turkey and Ukraine. The Council of Europe is headquartered in Strasbourg, France.



Figure 8.8

Conference of INGOs

The Council establishes a strong two-dimensional relationship with the INGOs. In a broad scheme, the CoE establishes statutory relations with the INGOs. A large pool of INGOs is formed within the framework of this type of relationship. INGOs holding a participatory status are recognized as part of what is referred to as the Conference of INGOs of the Council of Europe. They, serving as actors of the Conference, actively contribute to the decision-making process at the Council and to the implementation of its programs. In a less significant setting, the Council introduces civil society programs with INGOs that are considered partners in some of its missions. In general, these programs seek to improve the role of civil society and the INGOs towards a pluralist democracy and greater involvement of the general public in the decision-making process of the Council.



The Council of Europe's work benefits extensively from contacts and co-operation with the dynamic elements of society, as represented by NGOs. One of the main challenges currently facing the Organisation is to strengthen NGOs and civil society and to develop participatory democracy on a pan-European basis. To read more about the overview for the COE and the NGOs relationship, legal standards for NGOs, and their participatory status follow the link: <https://www.coe.int/en/web/ingo/home>

Only INGOs recognized a participatory status with the Council is allowed to take part in the Conference of INGOs. Delegates from these INGOs make up the Conference whereas delegates from national NGOs associated with the Council under a framework of the partnership may be invited to the Conference sessions in a consultative capacity. The Conference has a Bureau and a Standing Committee and is chaired by the President elected by the plenary meeting. The Conference further decides on the establishment of thematic committees and determines their number as well as titles, and of Expert Councils, along with their terms of reference and duration.

Standing Committee: a permanent committee especially of a legislative body.

INGOs with a participatory status are represented in the Conference where they, considering the Council's priorities, decide on policies, and define and adopt an action plan for implementation. INGOs further adopt positions on major issues and then submit them to other Council bodies, international or national institutions and to the media in form of recommendations or resolutions. The Conference's political work is developed and directed by the President, assisted by the members of the Bureau to ensure a proper functioning and implementation of the decisions. The President officially represents the Conference and may delegate this mission of representation to a member of the Standing Committee. In his/her absence, one of the vice presidents takes over and is referred to as the acting president.

Representatives elected by INGOs in a plenary meeting perform the task of governing the bodies of the Conference. In case an INGO loses its participatory status, any representative of that NGO is unable to perform his/her duties within the Conference which convenes at least in two sessions a year. The President chairs the plenary meeting of the Conference while the Secretariat assumes most of the detailed agenda. Decisions at the meeting are taken by a relative majority of the delegate present, but the decisions are not considered valid unless half of the delegates are present.

A plenary meeting is a session of a conference which all members of all parties are to attend. Such a session may include a broad range of content, from keynotes to panel discussions, and is not necessarily related to a specific style of presentation or deliberative process.

Recognition of Legal Personality of INGOs

One of the most progressive actions the Council has taken towards making the INGOs more prominent in regional governance is the adoption of legal tools to attribute legal personality to the INGOs. This set of moves is a very bold step given that the INGOs are not recognized elsewhere in public international law. The Committee of Ministers of the Council of Europe, taking note of the absence of any international instrument in force seeking to facilitate the activities of INGOs at international level appointed a Committee of experts on INGOs with the task of drafting a legal document on INGOs. Its efforts resulted in the drafting of a text fulfilling this objective. European Convention on the Recognition of the Legal Personality of International Non-Governmental Organizations, adopted 24 April 1986, offers a framework for legal personality of INGOs.

The Convention applies to associations, foundations and other private bodies which have a non-profit-making aim of international utility; have been established by an instrument governed by the internal law of a Party; carry on their activities with effect in at least two States; and have their statutory office in the territory of a Party and the central management and control in the territory of that Party or of another Party. Article 2 of the Convention outlines the boundaries of this legal personality for an INGO:

1. The legal personality and capacity, as acquired by an INGO in the Party in which it has its statutory office, shall be recognized as of right in the other Parties.
2. When they are required by essential public interest, restrictions, limitations or special procedures governing the exercise of the rights arising out of the legal capacity and provided for by the legislation of the Party where recognition takes place, shall be applicable to INGOs established in another Party.

This suggests that international legal personality of an INGO still depends on recognition of a legal status under national jurisdiction. However, in this case, a move of recognition by a state party is automatically endorsed by other parties to the Convention, thus making the relevant INGO an international legal person as well, enjoyed within the jurisdictional limits of the state parties.



Figure 8.9

The issue on the recognition of the legal personality of the INGOs is further taken up, in addition to the Convention, by a recommendation of the Committee of Ministers of the Council of Europe to the member states on their legal status (CM/Rec(2007) 14). The recommendation defines the minimum standards to be respected concerning the creation, management and the general activities of INGOs in Council members. The recommendation also acknowledges the contribution of the INGOs to “the development and realization of democracy and human rights, in particular through the promotion of public awareness, participation in public life and securing the transparency and accountability of public authorities” and considers that “the best means of ensuring ethical, responsible conduct by NGOs is to promote self-regulation.” This is why the recommendation is often cited by the Conference of the INGOs as a central document for its members and other INGOs in Europe. Additionally, governments of member states are recommended to “be guided in their legislation, policies, and practice by the minimum standards set out in this recommendation; take account of these standards in monitoring the commitments they have made; ensure that this recommendation and the accompanying Explanatory Memorandum

are translated and disseminated as widely as possible to NGOs and the public in general, as well as to parliamentarians, relevant public authorities and educational institutions, and used for the training of officials.”

Evolution from consultative to the participatory status of INGOs with Council of Europe

The CoE has established working relations with INGOs since 1952 when it introduced a consultative status for them. In 2003, in recognition of the growing role played by the INGOs, the CoE decided to change the consultative status to participatory status. In a report in 2015, the Secretary-General recommended to revise the guidelines on participatory status. The main objective of the revision was to better define the criteria for granting or refusing participatory status and to increase the relevance and quality of INGOs with a participatory status.

In July 2016, the Committee of Ministers adopted a new resolution on participatory status, Resolution (2016/3). The Resolution establishes the rules for the granting of participatory status to INGOs, provides information on the background of the status, what it represents, the conditions to be met by INGOs and the opportunities of INGOs to cooperate with the Council. The Resolution amended a large portion of the rules contained in the previous resolution adopted in 2003 applicable to the consultative status of the INGOs.

Participatory status is a status for international NGOs that are represented at European level. Before submitting with an application, INGOs need to check whether they fulfil all the conditions listed in paragraph 2 of the Appendix to Resolution (2016)3. For further details about being granted by the Council of Europe to INGOs follow the link: <https://www.coe.int/en/web/ingo/participatory-status>

The participatory status offers certain benefits and rights for the INGOs. These rights and benefits are also identified in detail in the recommendation. According to the recommendation, the INGOs enjoying participatory status may address

memoranda to the Secretary-General, “have access to the agenda and public documents of the Parliamentary Assembly in order to facilitate their attendance at public sittings of the Parliamentary Assembly; are invited to the public sittings of the Congress of Local and Regional Authorities and to contribute to its work according to its rules; are invited to attend seminars, conferences, colloquies of interest to their work according to the applicable Council of Europe rules.” They may also be invited to “contribute individually or through the Conference of INGOs to the work of intergovernmental committees” and “to provide, through their specific activity or experience, expert advice on CoE policies, programs and actions.” INGOs with participatory status may also request “to be registered on the list of INGOs entitled to lodge collective complaints in the framework of the Additional Protocol to the European Social Charter which foresees a system of collective complaints,” and “are invited to cooperate closely with the Commissioner for Human Rights, notably by communicating to him any information that they deem to be useful for his mission of promoting respect for human rights.” They may also be consulted by the Secretary-General “on questions of mutual interest.”

Memoranda is a summary of the state of an issue, the reasons for a decision agreed on, etc.

An INGO wishing to obtain participatory status shall submit a request to the Secretary-General, along with prescribed documents and verifications. The Secretary-General will then communicate the names of the INGOs to which he or she intends to grant or refuse participatory status to the Standing Committee of the Conference of INGOs for its opinion. The decision to grant participatory status to an INGO is taken by the Secretary-General of the Council of Europe based on the criteria referred to above. The decision of the Secretary-General is subsequently communicated for tacit approval to the Committee of Ministers, to the Parliamentary Assembly and to the Congress of Local and Regional Authorities.

The European Commission, the executive body of the EU, is tasked with developing relations with the INGOs and defining their roles in terms of contributing to the further democratization of the Union. The Commission performs vital roles and duties in the EU governance, ranging from executive powers to making of legislation in cooperation with the Parliament, as well as serving as a mediator between various EU institutions and bodies. The Commission has produced a number of documents to frame and institutionalize INGO participation in EU political and legal processes. Documents drafted by the European Economic and Social Committee (EESC) further supplemented the Commission's works on defining the role and nature of civil society within the EU.

The European Commission and Civil Society

The Commission, in a discussion paper of 2000, acknowledges the role of the NGOs in enhancing the quality of participatory democracy. The NGOs are seen as key partners in efforts to improve democracy within the EU and to promote democratization in candidate countries as well as developing nations. For this reason, the Commission considers a partnership with local NGOs as a fundamental priority. The paper further elaborates on the areas in which the NGOs could make a genuine contribution. To this end, it cites the NGOs as representing the views of specific groups of citizens to the European institutions.



Commission discussion paper: “the Commission and non-governmental organizations: building a stronger partnership”. For further details about the paper, follow the link: https://ec.europa.eu/europeaid/commission-discussion-paper-commission-and-non-governmental-organisations-building-stronger_en

According to the paper, “many NGOs have an ability to reach the poorest and most disadvantaged and to provide a voice for those not sufficiently

heard through other channels.” (European Commission, 2000).

Participatory democracy is a process of collective decision making that combines elements from both direct and representative democracy: Citizens have the power to decide on policy proposals and politicians assume the role of policy implementation.

European integration is also facilitated by the involvement of the NGOs in the political processes:

By encouraging national NGOs to work together to achieve common goals, the European NGO networks are making an important contribution to the formation of a ‘European public opinion’ usually seen as a pre-requisite to the establishment of a true European political entity. At the same time, this also contributes to promoting European integration in a practical way and often at the grassroots level.

The Commission identifies its relationship with NGOs in different fields as follows:

Fostering the development of civil dialogue and civil society at the European level and the strengthening of civil society as an objective in co-operation programs with non-member countries;

Dialogue/discussions with and consultation of NGO representatives in the context of policy shaping. Certain NGOs and networks, especially those at European level, have been established or selected in order to provide information, experience, and expertise. Some Directorates-General have established specific fora in order to provide a framework for dialogue;

NGOs as information relays. European NGOs and their networks and national members, can serve as additional channels for the Commission to ensure that information on the European Union and EU policies reaches a wide audience of people concerned by and affected by its policies;

Funding of NGO-led activities, within the Community and abroad, which are coherent with and contribute to the implementation of EC policies. These programs are characterized by a high degree of NGO ownership of the actions financed;

NGOs as actors implementing Community programs and projects, in particular in the field

of non-member countries co-operation. In these cases, NGOs have been chosen as partners because of their specificity coupled with their expertise and technical capacity.

The Commission's *Governance in the EU: A White Paper*, released in 2001, makes strong reference to the role of civil society, noting that it "plays an important role in giving voice to the concerns of citizens and delivering services that meet people's needs." (European Commission, 2001). The paper recalls that the EU law specifies certain areas where the civil society involvement is required in the legislative process. Under the EC Treaty, for instance, the Commission is required "to consult management and labor in preparing proposals, in particular in the social policy field." (Ibid.). Additionally, "under certain conditions, they can reach binding agreements that are subsequently turned into Community law (within the social dialogue)." The paper further underlines that "the social partners should be further encouraged to use the powers given under the Treaty to conclude voluntary agreements." (Ibid.). The Commission, and thus the EU, views the NGOs as "a chance to get citizens more actively involved in achieving the Union's objectives and to offer them a structured channel for feedback, criticism, and protest" (Ibid.).

The Commission's *Communication: Towards a Reinforced Culture of Consultation and Dialogue; General Principles and Minimum Standards for Consultation of Interested Parties by the Commission* (European Commission, 2002) states that civil society organizations are "the principal structures of society outside of government and public administration, including economic operators not generally considered to be 'third sector' or NGOs." In this document, the NGOs are regarded as "facilitators of a broad policy dialogue." (Ibid.).

In *The Commission's Contribution to the Period of Reflection and Beyond: Plan-D for Democracy, Dialogue, and Debate* (European Commission, 2005), the Commission commits itself to work with the NGOs "to establish a European Round Table for democracy" which "will gather citizens from different horizons that will act together or debate on common European issues." (Ibid.). The paper is yet another acknowledgment of the NGOs as representative of the people's voice in European affairs to achieve better regional governance.

European Economic and Social Committee (EESC) as Organized Voice of Civil Society

It could be argued that the most progressive achievement of the EU in terms of recognizing the role and contribution of civil society is the creation of the EESC which can be referred to as the voice of organized civil society in Europe. Even though individual NGOs, as well as civil society networks, make extensive contributions which are incorporated and mentioned in various EU documents and in the institutional settings of national and regional EU bodies, the EESC represents a huge step forward as it enables the entire NGO community to participate in the EU Governance in a formal manner which does not require further efforts. The Committee serves as an integral part of the EU institutional machinery where it represents and promotes the interests and privileges of the civil society organizations and makes their service ready to the administrative, executive, legislative and political matters that are pertinent to the European citizens.

European Economic and Social Committee (EESC) is an EU consultative body consisting of representatives of organized civil society. It was set up in 1957, when the EU founders signed the Rome Treaties. The main goal was to involve different economic and social interest groups in the development of the common market, and to enable the European Commission and the Council of Ministers to consult more widely on EU policies. The Committee guarantees that the voices of all the different groups and interests in society are heard and considered at the top levels of EU policy and decision-making.

The Committee reflects the diverse nature of the NGO community since its members are selected from different segments of the society and nominated by governments of member states. Therefore, the composition of the Committee ensures fair representation of different parts of the society enabling citizens from different backgrounds to have a voice at the EU institutional level. The EESC has a unique place in the EU governance; as a consultative body, the Committee performs a role of mediation between the executive branch (the Commission) and the legislative bodies (the European Parliament and the Council) and serves as a forum where NGOs are represented and express their views.

The Committee, acting as the organized representative of the civil society groups, conducts its activities to help the EU institutions and bodies achieve consensus. To this end, the Committee plays a major role in the process of policy formation and drafting of the decisions at the EU level. The Committee communicates its opinions to the EU institutions with the aim of achieving a consensus and settling possible disputes and contradictions in positions held by different actors. The whole process is based on the idea of compromise and involves the participation of a wide range of civil society components.

The Committee does not have the power of making legally binding decisions. However, under the EU Treaties, in a number of fields, the EU institutions are required to consult the EESC on proposals. Consultation of the EESC is mandatory where the Treaties require the Council or the Commission to do so on a particular proposal. In all other cases, consultation is optional. It should be noted that the Single European Act (1986) and the Maastricht Treaty (1992) extended the range of issues which must be referred to the Committee, and the Treaty of Amsterdam (1997) further broadened the range of compulsory consultation and allowed the European Parliament to consult the EESC formally for the first time. The Lisbon Treaty (2009) expands the areas in which the Committee must be consulted to three new areas of EU policy. Furthermore, under EU law, when making its final decisions, the Council must consider the Committee’s opinions, regardless of whether it is mandatory or optional.



Figure 8.11

Additionally, the Committee, acting in accordance with the provisions of these treaties, delivers its views through its own initiatives or reports to relevant bodies and institutions. Within the framework of serving as an institutional forum for dialogue and consultation under the EU law, the Committee plays a dual role; on the one hand, it strengthens democracy; and on the other, it brings the EU closer to its citizens. In brief, the Committee increases democratic legitimacy of the EU and performs as a bridge between the Union and the citizens of Europe.



Figure 8.12

Additionally, the Committee, acting in accordance with the provisions of these treaties, delivers its views through its own initiatives or reports to relevant bodies and institutions. Within the framework of serving as an institutional forum for dialogue and consultation under the EU law, the Committee plays a dual role; on the one hand, it strengthens democracy; and on the other, it brings the EU closer to its citizens. In brief, the Committee increases democratic legitimacy of the EU and performs as a bridge between the Union and the citizens of Europe.

The EESC mission has three major components:

- Advising the Commission, the Council, and the Parliament on policy proposals, making use of the special expertise and practical experience of its members, and thereby contributing to the EU decision-making process;
- Enabling civil society organizations in the Union to be more involved, and therefore more committed to the European venture, at both national and European level, and to help bring Europe closer to its citizens;
- Strengthening the role of civil society organizations in non-EU countries or blocs (or groups of countries) where it has ongoing relations, developing a structured dialogue between civil society organizations, especially the social partners, and promoting consultative models along similar lines to the EESC (European Economic and Social Committee, 2011).



your turn 3

Consider about the INGOs’ involvement in the Council of Europe and the European Union and comment on the following question: What factors may facilitate a more intensified involvement of INGOs in decision making processes of a regional intergovernmental organization (IGO)?

LO1

To understand the role of the International Non-Governmental Organizations (INGOs) in World politics

It is hard to imagine world politics without INGOs today. They are as diverse as their activities and the academic debates on their role and impacts. Some experts praise INGOs' positive roles in international politics, while others express skepticism. Those who consider the positive role of INGOs argue that INGOs are the important and constructive players because of their potential for challenging conventional power politics at an international level. In support of this view, they point out examples of INGO success in influencing political processes and the actions of other players. INGOs have even managed to exert influence in areas of "high politics" which affect national sovereignty. During the Cold War, the international politics was largely a matter for governments. In this era, nation-states were considered the sole actor of the World politics. However, after the Cold War era, the World has become more interdependence where actors other than states have become prominent in many fields of international relations. INGOs are one of these new actors in this pluralistic World order. Today, the media routinely report when INGOs complain about human-rights violations in various countries when INGOs campaign for the compliance with labor standards in the global textile industry or when INGOs provide humanitarian relief after environmental disasters. INGOs are seen as a legitimizing force in the global arena. This is so because they do not pursue national interests but are potential advocates for affected groups worldwide. They put specific interests and issues on the agenda of international organizations. They raise awareness for important topics and feed them into the political process. However, it should also be noted that over the past decade, a more critical view of INGOs has been gaining ground. Critics point out the limits of INGO influence and raise questions about the organizations' own legitimacy. Unlike governments, INGOs are not elected, so they lack a democratic mandate for taking decisions that are mandatory for others. Because of a north-south divide which is evident in INGO involvement in international negotiations, their legitimizing effect on international policy is questionable. INGO involvement from the global south tends to be exceptional, whereas INGOs from the global north often claim to speak for developing countries.

LO2

To differentiate INGOs from the other non-state organizations

INGOs or NGOs and other non-state actors (NSAs) are usually considered as offering alternatives to state power. INGOs are institutionalized groupings of people and resources, often from multiple societies, operating outside the direct autonomy of any particular government. Individuals, not nations, are the main elements of an INGO. They usually focus on the human right, environment, and gender problems and so on. INGOs are differentiated from inter-governmental organizations (such as the UN, the World Bank, and many others) that are composed of states and reflect the wishes of collected opinion among state leaders. INGOs not only oppose the state policies, but they also work cooperatively with states. On the other hand, other non-state actors are less organized and often less multinational than INGOs. Non-state actors rarely challenge states explicitly, but they use their forces to affect policies, perceptions, and behavior across societies. Non-state actors derive their influence from some combination of independent wealth, public prestige, popular following and private connections. For a better understanding of INGO, some elements should be kept in mind. In this respect, INGOs should not be a political party or follow any party politics at national or international levels. INGOs should be a volunteer organization that means that they should not seek financial profits like business organizations. INGOs are non-criminal groups. Their activities should have certain elements of social responsibilities or benefits both at national or international levels. Finally, no INGOs in the world are doing their job by using violence. Therefore, INGOs should keep a distance from any form of violations and/or violent organizations.

LO 3

To learn about INGOs contribution to international and regional organizations

Many international and regional organizations have specified mechanisms ensuring involvement of INGOs in the decision and policy-making process. However, the institutional setting identified for this purpose in these organizations is not as advanced as the one observable in the Council of Europe or the European Union. Roughly speaking, this indicates that civil society still remains a Western notion and will likely play a growing role in the regional governance thanks to its wider acceptance and recognition.

This also means that even though it is seemingly a universal concept, civil society or the INGO does not connote a global impact and in most cases, its influence is confined to a narrower setting defined in a more regional approach. Whereas only in cases of normative aspirations will NGOs play a relatively determinative role at international level, regional affairs will most likely benefit their contribution and inputs, particularly if an institutional-formal arrangement for their involvement has been made within an international organization. In the presence of such a regional arrangement, the INGOs play a wide range of roles affecting the content and scope of decision making and legislation as well. In some cases, their role goes well beyond simple consultations and reach the level of making genuine contributions to the executive and legislative outcome.

Therefore, the role and influence of the INGOs in global governance are not given; in other words, their success at the international level often remains controversial due to a variety of reasons. However, at the regional level, the need for their contribution is, conversely, often acknowledged by such international institutions as the Council of Europe and the EU which have developed a highly institutionalized and advanced identity of their own, with visible aspirations to bring the citizens closer and to make the entire machinery of decision making more legitimate and accountable.

1 What has created a fertile ground for INGOs to become active in political, economic and socio-cultural matters?

- The end of Cold War
- The Iran-Iraq War
- The Petrol Crisis of 1973
- The Peace Treaty of Westphalia
- The 9/11 Terrorist Attack in America

2 In the field of International Relations, how are INGOs generally depicted?

- Governmental organizations
- Non-state actors
- Business groups
- Illegal organizations
- Legislative organs

3 Which of the following features **does not** belong to INGOs?

- non-political
- non-profit
- non-violent
- non-ideological
- non-permanent

4 Which of the following principles should be met by INGOs to be recognized within the UN framework?

- An NGO needs to work in furtherance of the goals and objectives of the UN.
 - An NGO should allow fair representation by members, establish a headquarters, and employ officers.
 - An NGO should be a non-profit organization without engaging in business or corporate activities.
- Only I
 - Only II
 - Only III
 - I. and III
 - I, II, III

5 Which article within the UN Charter recognizes the INGO?

- Article 62
- Article 51
- Article 70
- Article 73
- Article 64

6 Which of the UN bodies has the Committee on Non-Governmental Organizations a standing committee in order to be responsible for matters concerning the admission and accreditation of the INGOs?

- General Secretary
- Economic and Social Council
- General Assembly
- Security Council
- Auditory

7 When did the Council of Europe adopt the European Convention on the Recognition of the Legal Personality of International Non-Governmental Organizations offering a framework for legal personality of INGOs?

- 1956
- 1966
- 1976
- 1986
- 1996

8 To be qualified as an INGO within the UN, which factor is not a necessary condition?

- An INGO needs to work in furtherance of the goals and objectives of the UN.
- An INGO should allow fair representation by members, establish a headquarters, and employ officers.
- An INGO should be a non-profit organization without engaging in business or corporate activities.
- An INGO should interfere in the internal affairs of states when it is necessary.
- An INGO should declare it will not rely on any violent measure whatsoever to pursue its goals.

9 What status do INGOs have in the governance structure of the Council of Europe?

- Participatory Status
- Observation Status
- Management Status
- Presidential Status
- Ad-hoc Status

10 Which of the European Union organs is mostly in a dialogue with the INGOs?

- The EU Parliament
- The EU Council
- The EU Commission
- The EU Investment Bank
- The EU Court of Justice

- | | | | |
|------|---|-------|--|
| 1. a | If your answer is incorrect, review the section on “The Growing Importance of INGOs in International Relations” | 6. b | If your answer is incorrect, review the section on “UN bodies” |
| 2. b | If your answer is incorrect, review the section on “The Growing Importance of INGOs in International Relations” | 7. d | If your answer is incorrect, review the section on “Council of Europe” |
| 3. e | If your answer is incorrect, review the section on “Characteristic of INGOs” | 8. d | If your answer is incorrect, review the section on “INGO within the UN” |
| 4. e | If your answer is incorrect, review the section on “INGOs To Be Recognized Within The Un Framework” | 9. a | If your answer is incorrect, review the section on “Council of Europe” |
| 5. c | If your answer is incorrect, review the section on “UN Charter Recognizes The INGO | 10. c | If your answer is incorrect, review the section on “European Union organs” |

Whether the scope of international relations should be limited to a state-centric paradigm as the realists argue or whether it should encompass additional actors like INGOs as the pluralists suggest.

your turn 1

Traditionally, the study of IR has been limited to examination of state behaviors and the interstate interactions and affairs, often from a perspective that places emphasis upon the root causes of conflicts and upon how a working peace could be achieved. However, particularly since the end of World War II, other major players have entered into the stage of international politics, making the field of IR a more complicated endeavor that requires consideration of non-state actors in the political and academic analyses. Most IR scholars, taking this new state of affairs into account, uphold that it is no longer possible to confine the IR discipline to conventional understanding focused mainly on the states as primary units and further suggest that actors exerting international influence should be included in the process of analyzing and studying the events of international politics. A general conviction among IR scholars underlines that states lack necessary sources and abilities to tackle some of the major global problems, a fact that both calls for and justifies attention of non-state actors to processes of international politics. International Non-governmental organizations (INGOs), along with intergovernmental organizations (IGOs) and multinational corporations (MNCs), are considered as the most relevant non-state actors that take part in the processes of global governance, each laying roles of their own in a way to fill a void and address a certain need.

Although the INGOs have become an important player of the global governance, why are they better equipped with addressing normative issues such as human rights violations, environmental degradation, and gender problems than other political issues concerning the major interests of the nation-states?

your turn 2

Contemporary IR scholarship considers the INGOs as important actors and components of international politics. However, most IR scholars also agree that they should not be expected of playing a wide range of roles and functions and that instead, they should be regarded as significant service providers in areas where states and IGOs fail or are unable to address a certain issue. This begs a question as to whether it is proper to call the INGOs as true international players. It is only natural, however, for the INGOs to play certain roles simply because they emerge as a natural response to the inadequacy of conventional players and units of international politics in resolving major global problems and responding to the needs and demands of the people. Areas, where roles to be played and performed by the INGOs, may logically include normative questions. States have been overwhelmingly focused on their survival and their security needs, leading them to remain mostly indifferent to issues of global concern. Even in times when they develop a sense of concern towards such issues, their resources and tools fall short to build a mechanism and framework of a solution. This results in the emergence of INGOs and then justifies their involvement in the normative side of global governance.

What factors may facilitate a more intensified involvement of INGOs in decision-making processes of a regional intergovernmental organization (IGO)?

your turn 3

The primary factor for INGO involvement in decision-making processes of a regional IGO is the legal and political framework designated in the legislation of that organization. Where their sphere of operation and conduct is defined in broader terms, the INGOs may take decisive action and expand their boundaries to reach out to the decision makers and to better represent their constituencies. The role and service attributed by the relevant bodies and organs of the IGO to the INGOs is mostly shaped by the overall agenda and objectives. In cases when these objectives are more relevant to greater democratization, promotion of human rights, addressing such issues gender inequality, poverty or environmental degradation, and transparency, the INGOs gain greater prominence and are recognized more progressive and influential roles within the governance structure of the organization. The European Union (EU), for instance, sets a bold objective of bridging the gap between the governing elites and the electorate, thus ensuring democratic legitimacy. To serve this objective, the EU defines a useful framework and institutional mechanism to attract the attention of INGOs which are believed to be representing the political tendencies and interests of general public. Another factor is relevant to how the INGOs may want to promote their specific agenda and achieve their goals. When they tend to become closer to the political elites and agents of an IGO, the INGOs define certain procedures for participation in the predefined frameworks and channels.

Suggested answers for “Your turn”

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