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Regionalism and Globalization after the Cold War

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Résumé

La globalisation peut être cernée au sens large comme un processus d'intégration territoriale, et notamment d'intégration internationale. Il s'agit d'un processus d'intensification et d'élargissement géographique de différentes relations sociales (flux de marchandises, de capitaux, de travailleurs, de touristes, d'informations, aussi bien que des réseaux d'infrastructures qui permettent de tels flux). Ce processus complexe s'est initié consécutivement à la première expansion coloniale de quelques nations européennes à l'époque du mercantilisme, pour se développer et s'élargir géographiquement pendant l'époque du capitalisme impérialiste et néo-impérialiste, et enfin s'intensifier ultérieurement à partir des années 1980, quand il a adopté la configuration actuelle de « globalisation ».

La régionalisation est par contre le processus d'articulation et de différenciation de l'espace terrestre en régions ou unités territoriales composées par plusieurs nations contiguës, entre lesquelles l'intégration va en principe plus loin et se façonne différemment par rapport à celle qui définit les relations avec les autres nations. Une telle subdivision régionale, ainsi que d'autres formes d'intégration, a accompagné en fait toute l'histoire du processus d'intégration international et il reste évident jusque dans cette phase de globalisation.

Autour des rapports entre globalisation et régionalisation – aussi bien qu'entre globalisme et régionalisme – s'articulent des théories opposées. Certaines d'entre-elles sont délibérément alarmistes et dépourvues de tout fondement, et peuvent conduire à des conclusions politiques dangereuses. Parmi ces théories il y en a une qui est particulièrement chère à la propagande idéologique des organismes internationaux : c'est celle des globalistes et des partisans extrémistes de l'économie libérale. En tant que défenseurs résolu du libre-échange perçu comme remède à tous les maux, ils voient dans les agrégats régionaux un obstacle ou un frein à la libéralisation des marchés, soit à l'élimination multilatérale des barrières tarifaires (et pas seulement) des États-nation.

Un point de vue carrément opposé – bien que minoritaire – est celui de ceux qui perçoivent dans la globalisation la cause principale d'une grande partie des problèmes de notre époque. C'est dans cette optique que les tendances régionalistes se révèlent en tant que moyen pour mettre en oeuvre des politiques protectionnistes avec objectifs anti-globalistes.

Voilà les prémisses à partir desquelles nous souhaiterions proposer une mise au point des phénomènes complexes de régionalisation en oeuvre au niveau global, tout en soulignant la nécessité d'un équilibre dans le processus de globalisation au sein duquel les nouvelles puissances émergentes joueront un rôle fondamental dans les années à venir.

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REGIONALISM AND GLOBALIZATION AFTER THE COLD WAR

Globalization, in the last twenty years has been the object of many debates, and when generally referring to international integration it can largely be defined as the integration process of the territorial communities that divide the terrestrial space. It is a process highlighted by the extension and intensification of various kind of social and geographical relations (measured by the inflow of merchandises, capitals, workers, tourists, information etc., and also by the network of infrastructures that allow those flows). This process began, as it is well known, with the first colonial expansion of some European nations (especially Portugal and Spain, Holland and England) during the mercantile period, and grew increasingly wider, expanding geographically through imperialist and neo-imperialist capitalism, increasing furthermore during the 1980's, assuming finally the actual shape covered by the word globalization. The new elements that characterize this phase of integration and that strictly define the concept of globalization are the expression of : 1) the informatics and communication revolution, which besides increasing the circulation of information and all sorts of ideas at the global scale, has allowed at the economic level radical changes in production techniques and in labor organization, and 2) the adoption by transnational companies of "global marketing" strategies favored also by the increased progress in transportations; 3) the new competition conditions between companies – created by markets saturation, which stimulates companies to innovate, spread innovations and push for a national markets liberalization (at the opening or the lowering of tariff and non tariff barriers) (Adamo, 1992; World Bank, 2008); 4) the United States and other advanced capitalist countries to affirm neo-liberism and restrictive privatization and deregulation policies, and with it of the global ideology, in reply to the slowdown of growth, productivity and production, and therefore of the State fiscal crisis. The policies established by President Reagan, by enormously increasing the interest tax rate made the external debt problem of many underdeveloped countries collapse (July 1982), and has in that way imposed, with the IMF support, market liberalization, which was so rapid and drastic that it created in some cases, as in the hard hit case of Argentina, very extreme disastrous situations.

Regionalization, referred at the global scale, is instead the process of articulation and division of the terrestrial space in regions or territorial units, made up by more contiguous nations, among which international integration (that can also be translated in a more closer affinity of characters) is usually more intense and assumes a different shape, compared to that which characterizes the relations with other nations. This regional under-division, as other kinds of integration (for example that between the metropolis and the colonies), has sided the whole process of world international integration and it is clearly evident also in this phase of globalization.

After Second World War, during the neo-imperialist phase of world integration, the integration among nearby nations becomes a politically willed and programmed process, on the basis of the presupposition that integration is beneficial to all: becoming expression of regionalism. The same

stands for world integration – willed since 1945, with the GATT², essentially by the United States of America – it becomes globalism since the beginning of the 1990 when markets liberalization through global negotiations, at GATT then later at WTO, is willed not only by the United States, on the basis of the diffusion and affirmation of neo-liberist conceptions, but also beyond the professed liberists, by the presupposition, largely ideological, that international free trade is in any case beneficial to all.

About the relations between globalization and regionalization of the terrestrial space, as similarly between globalism and regionalism – upon whose development in the last twenty years this short article will limit its observations to– there are various contrasting thesis, some of which are decisively alarming and without any foundation and could also lead to dangerous political conclusions. One of these thesis, particularly popularized by the ideological propaganda of international organisms (such as IMF, WB, WTO, and UN agencies), is advanced by globalists and liberists, strenuous supporters of free trade as *panacea* of every problem, who see in the regional blocks (created by the contiguous nation-States, with agreements of various nature: free trade areas, customs and political unions) an obstacle or a holdback to markets liberalization, understood as multilateral elimination of tariff and non tariff barriers of the nation-States – and who in particular see the danger of a neo-protectionism that could be established between regional blocks in a more tougher way than in the past. A thesis decisively opposite, but in minority, is that of those who see in globalization the cause of many of the problems of our time (unemployment, poverty, ecological issue, etc.) and who – excluding those who are contrary also to regional integration, and who are very present in Europe – see in this process of regionalist affirmation exactly those possible instruments that could enact protectionist policies with anti-globalist objectives.

Beyond the illusions of this anti-global regionalism – position that is as much if not more mistaken and dangerous than the globalistic pretention of liberalization at all costs – it is evident, at the end of the first decade of the new millennium, in a period of deep crisis and evident disadvantage of some products related to the emerging countries, that both the fears as much as the protectionists hopes, are worldwide spread overcoming the traditional distinctions characteristic of economic thought (neo-classics, Keynesians and Marxist) that cross the different social classes, independently of the ideological and political sympathies of each individual.

To try to put an end the fears and hopes of neo-protectionism, and try to contribute to the attenuation at least of the contrast between globalists and anti-globalists in international economic relations, it is useful in the meantime to compare the trend of the international integration process at the regional and global level, starting from the beginning of the 1990, and to verify if regionalization has become an obstacle to globalization or, if it is, as it would seem, rather become the contrary. In addition, beyond what emerges from the analysis of the real process of integration and development of world economy, it is necessary to consider nation-States globalist and regionalist orientations: not only because their choices depend upon the perception that the people and their governments have about the real processes and by the fact that their choices are not always led by economic interests, even though they are often the main motivation; but also because nation-States remains the principle articulation element of the world geo-system, besides the fact that their sovereignty is attacked from below by growing localism, from above by the process of international integration and by the concrete problems that frequently require supranational decisions, and even though governments authority is questioned by the new conceptions of *governance* both within nations as within international decisions.

² The GATT (as organization) was replaced , already by 1st January 1995, with the World Trade Organization - WTO, per-manent organization endowed by its own institutions and that has adopted the principles and agreements reached within GATT , whereas GATT as agreement still exists. So to distinguish the new agreement from the original agreement, it is said «GATT 1947» when the reference goes to the original agreement and «GATT 1994» when the reference goes to the new agreement of 1994 following the Uruguay Round.

In relation to these claims, the observation of change in the last twenty years is interesting for various reasons (Adamo, 1992):

- 1) because it is since the beginning of the 1990 that some regional blocks are consolidated and others created (as Mercosur, NAFTA), especially under the push of Western Europe integration process;
- 2) because it was very evident that the regionalization of the world geo-system – that caused the emerging of new distinct world macro-regions, of mainly a functional kind and later also of a formal kind highlighted by the reproduction of common characters – did not contrast globalization, but was the main path for market liberalization and world integration;
- 3) because, already in those years, it was evident that the neo-protectionist fears generated by the formation or development of regional blocks was logically without foundation;
- 4) because the end of the Cold War, with the fall of the Berlin Wall in 1989, had opened together with the perspective of a world governed by American imperialism, the hope of an active commitment of the regional blocks, and in particular of the European Union, for the creation of a multi-polar world, political and economic, and to overcome the “American style of globalism” and therefore for a new globalization, in contrast to that imposed by the U.S.A. whose policies were implemented to many countries of the South of the world since the 1980, with the support of the IMF, to meet the personal needs of the United States book balance and also by the transnational companies for which markets liberalization was fundamental to attenuate the new strategy of “global marketing”, which replaces national or multinational marketing.

It is therefore necessary to understand if and how the relations between regionalization and globalization have changed, if and how the developments of regional blocks (commercial, customs, monetary and political) have influenced the multilateral negotiations within the international organizations for the regulation of the international world system and in particular within the WTO.

The institution of this new organism, in 1st January 1995, begins a new phase of globalization, in which markets liberalization does not seem to be any longer imposed, but on the contrary seems, for many aspects, received even more favourably by some emerging countries than by the United States or Europe. This institution, certainly an improvement compared to GATT, since it has the task of regulating markets and not only of reducing barriers, highlights the affirmation of globalism, besides the reinforcement of regional blocks. It is also the result of the consciousness of some emerging countries which opened their markets, after imposing on the poorer classes the hardest sacrifices, that they would gain greater competitive advantages in global multinational companies marketing strategies; it is because of that consciousness that those countries and other underdeveloped countries have abandoned their opposition to different European and North American recommendations and allowed for the conclusion of the Uruguay Round, after 9 years of negotiations (1986-1994)

In the last twenty years we observe that:

- 1) global economic integration – considering as indicators both the merchandise flows and the investment flows (WTO, 2008; UN, 2009; UNCTAD, 2008), but also the international migrations (IOM, 2010) – has on the whole further increased and become more credible, in regards to the 1990, the possibility of protectionism between blocks, especially for the investments of the main companies that operate in more than one block;
- 2) the global industrial companies marketing strategy and the consequent globalization is ever more clearly an element for creating a new, more just, economic world order, in which integration

assumes the shape of interdependence, because it surpasses one of the elements of “unequal trade”: the disparity of the techniques and the organic composition of capital (Adamo ,2006);

3) global economic integration has in fact grown more than the regional one, if we consider that for the principal countries of every block and for some blocks also on the whole the growth both of merchandise trade and of investments was greater with countries external to their own block. At the block level, this shows in particular for the European Union, for Mercosur and for NAFTA, and also for ASEAN and concerns the new pressure for regional integration given by the 2004 agreements, for which the increase in domestic trade was slightly superior (+155,48% from 2000 to 2008) to that of export (+121,41%) and foreign import (+140,43%) (UNCTAD,2008);

4) bilateral negotiations between blocks or between blocks and specific countries are in fact the principal instrument of global integration growth. Therefore, regionalism has not stopped or slowed down, but on the contrary has allowed for the further growth of globalization. Brazil of President Lula has tried and tries to intensify the integration with foreign Mercosur countries and regions and with other regions of Latin America, to give an output to its growth, bigger and superior to that of the other Mercosur countries. He has thus concluded agreements with all developing countries and through Mercosur with the European Union. Both China as India are developing free-trade agreements with Asean and by so doing creating vast integration areas.

5) “American style globalism” –as promoted within the WTO and discussed within the new round of multilateral negotiations, Doha Round opened in 2001 and after 10 years is not yet brought to an end,³ – is declining both for having found impediments from the big emerging countries (BRIC: Brazil, Russia, India, China), rather than from the regional blocks (and even less from the European one), both for its own internal resistance’s and for the opening, at least it seems, of new USA foreign policy orientations;

6) the European Union, into which were placed many hopes for being, at the fall of the Berlin Wall, in a more advanced integration phase, instead of reinforcing itself as an economic and political union and develop a more autonomous international role, has become weaker in these aspects and has enlarged only as a market. Assaulted, on one side, by the increasing localisms and prisoner, on the other side, by the radical nationalism of its principal States, it has nevertheless achieved to survive politically, thanks to the interests of market powers and the deserved efforts of its Commission to realize at best what in any case is decided by the Member States Council representatives and for having achieved to give positive visibility to the Union.

Besides the increasing attraction from emerging countries and also from other underdeveloped countries, the countries that have attracted the greatest part of the direct foreign investments flows have remained the developed ones (1248 billion dollars over a world total of 1833 billion in 2007) –

³ The quarrel within the multilateral negotiation, that blocks the negotiations of the Doha Round, is due in particular to the agricultural products and in specific to the resistance of capitalist advanced countries to eliminate the subsidies to their productions, as requested by less developed countries, in particular Brazil. More in general, it is due to the fact that the developed countries, homeland of the liberists, are so only when it is in their interest to be so, this is so true that some of them advance the dangerous idea of protectionist measures also for the industrial products (in particular against China). It could be possible to say that to be liberist or protectionist is “normal” according to one’s own interests and in particular that certainly protectionism is not wrong, especially when at stake there is the need to avoid important unemployment falls and, in the case of agricultural products, to guarantee food security. Nevertheless such consideration should also convince about the idea that markets liberalization should be graduate and contracted so as to be accompanied by other actions capable to respond, also through interested countries cooperation, by the need to guarantee work and avoid the spread of poverty, instead of welfare. The integration of the liberalization process in cooperation policies is certainly better realized through agreements between regional blocks. Not only it is ideological to think that liberalization of trade brings to an increase of the produced wealth but furthermore that this increase is beneficial to all the interested countries and to all their inhabitants, and that this can be concretely achieved.

at least since the actual crisis (recession or beginning of a depression phase?) – and especially those with the most advanced capitalist economies (in particular the United States, United Kingdom, France, Canada and Holland); so as to witness about how the growth of knowledge economy is important in these countries and about how much human resources and high city standards are relevant in these economies, such as innovative environments and high standards of life (Adamo, 2003). The increasing integration generated by the global marketing companies strategy, which excludes protectionist barriers between advanced countries and emerging countries, was enacted and is enacted through fusions and acquisitions between big foreign companies, operations that passed from 39 billion dollars in 1987 to 1161 billion dollars in 2007 (UNCTAD, 2008).

Since 1990, a new economic feature is the increased growth of direct investment flows exiting “developing countries”, to adopt the international organizations terminology. It reflects the great novelty in world economy given by the emerging of some big countries, like the above mentioned BRIC, as well as the growth in Asia and Latin America of some other new industrialized countries. Except the previous economies not integrated in the capitalist world market (as China and Countries of the ex-URSS), the other ones were and largely still are “peripheral” (or underdeveloped) in this market dominated till the end of 1980 by the triad USA-Japan-West Europe and hold a development model opposed to that of the “central” countries. Some of these countries, mainly BRIC countries, are already producing innovative goods and therefore are becoming always more competitive with the most advanced countries also for those goods. The emergence of these countries both in the economic and in the political stage, and also the emerging of Eastern European countries in the world stage and of other countries and ethnic groups – that after the fall of the Berlin Wall felt more free, enough to act war one against the other – has not slowed down and does not seem to slow down globalization; but has confused traditional regionalisms and goes changing the shape of globalism, having put into crisis the American definition of beginning 1990.

To conclude, the optimistic perspective of a new, better, world can count, in my opinion, especially on these countries, as it needs an economic world ruled and articulated in a network of economic interdependent poles and governed, also in regards to other aspects that create conflicts and tensions, by an international political system of multi-polar kind, able to guarantee the gradual attenuation of its big contradictions (mass poverty and the major regional unbalances, that are not least an important element of the ecological unbalances of our world). The European Union, besides its economic strength, for its institutional⁴ development trends seems politically paralyzed and unable to have an active role in the world government system; as Europeans we should recognize this and fight for the political strengthening of the European Union, with its own foreign and defence policy. There is to hope that the initiatives being realized in this direction in 2010 are the

⁴ From the historic development of the European Union up to the actual Union what has prevailed in Member States politicians is the will to expand geographically so as to include possibly all the States of Europe. In different cases it seems that this objective, of a continuous enlargement, was willed at all costs, accepting the conditions of countries whose adhesion seemed dictated exclusively by market interests, considering the enlargement as a political success in itself. The more recent enlargement to East Europe, certainly politically important, could have achieved the same political objective, and be realized through cooperation agreements and by postponing the full adhesion of the Eastern countries only when they shared the same western countries political vision in particular the laic vision of international relations, particularly with Russia and the United States, in addition to the State and Market visions.

In fact, in the last years, the European Union seemed to survive thanks to its economic interests and the Commission commitment. The political construction of the European Union was compromised not only by the enlargement or better by the way the economic enlargement was done, but also and mostly by the emergence of localisms, on one side, and by the renewed nationalism of some Western Europe main countries.

beginning of an effective re-launches of the political construction of the European unity, as well as the effective instruments for the construction an economic *governance* of the euro countries.⁵

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WTO – World Trade Organization, *World Trade Report 2008*, WTO, 2009.

⁵ Otherwise, if the European citizens want to contribute really to the construction of a world of peace and progress for humanity, it will be necessary to reestablish the European Union, giving to the actual regional institution tasks of market regulation and of economic and social cooperation, and to create one or more regional associations between European States that have a common foreign policy vision and want to realize a true political union. It is probable that, as regionalism and regionalization of the world they contribute to its global integration, also an explicit articulation of the European Union in different sub-regional unions, or, better, in different Communities with different rights and obligations (commercial, monetary, economic and fiscal, law and citizen rights, political) could allow a more satisfactory and even more rapid integration of Europe.