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A COMPUTATIONAL APPROACH TO THE STUDY OF REGIONALISM

By

Lisandro Abrego, Raymond Riezman and John Whalley

Analytic research in the theory of regional trade agreements has produced a literature with very few general propositions. Not only are results ambiguous, but clear results are only available under very restrictive sets of assumptions. This study develops a methodology that is designed to overcome these two difficulties. What we do is to utilise computational techniques to determine the circumstances under which propositions are true. For this, we use a simplified (fewer countries and commodities) CGE model to compute equilibria for randomly selected parameter values. We use sampling theory to tell us how many equilibria to compute. Given that we have computed an adequate sample we can determine in what percentage of cases a given proposition holds. In this way, by mapping systematically out the set of parameter values for which a result occurs we can get a feel for which statements are generally true and which are not. In addition, when the propositions are not true we will be able to sharpen the intuition for why this is the case. This approach will help reduce the degree of ambiguity of some analytic results and (though still theoretical) end up being of some relevance from a policy perspective.

The new methodology (random generation of a large number of parameter value combinations) can also be extended to other areas of economic theory where general equilibrium simulation techniques have been employed. It also can provide a stronger statistical basis for general equilibrium numerical simulations.

Here is an example of what we do. Consider the following proposition: *For any initial tariff equilibrium, every member of a customs union benefits from membership in the union.* Earlier research provides examples in which a country can gain or lose by participating in a customs union. So we know that no general result is possible. However, earlier research also suggests that it is unlikely that a member country loses from a customs union. Using the methodology described above, we compute a n appropriate number of equilibrium and determine the likelihood of all members benefiting from membership in a customs union. Using theory as a guide we can also develop intuition about why a country might lose from joining a customs union. Using this methodology we plan to examine a number of propositions. Here is a preliminary list:

1. World welfare is higher under a free trade association than a customs union.
2. Members of a customs union (free trade association) always benefit from the union (association).
3. Customs unions (free trade associations) result in higher (lower) external tariffs.
4. Non-members benefit more from a free trade association than member countries.
5. Member countries always prefer a customs union to a free trade association.
6. Non-member countries always prefer a free trade association to a customs union.
7. Customs unions (free trade associations) are a "stepping stone" to free trade.
8. Customs unions (free trade associations) always improve (worsen) the terms of trade for the member countries.
9. All free trade agreements result in more international trade.

THE WTO: FRIEND OR FOE OF FREE TRADE?

By
Ben Zissimos and David Vines

One of the most important international economic issues at the moment is why the World Trade Organisation (WTO) is having such difficulty promoting further trade liberalisation on a multilateral basis. It is widely believed that the Uruguay round, the latest set of world trade negotiations completed in 1994, took too long and achieved too little given the resources expended. And general enthusiasm for another world trade round remains weak. Yet many believe that the world would benefit from further liberalisation.

The fear is that the widely documented polarisation in world trade arrangements towards three regional blocks is damaging the process of further multilateral trade liberalisation. The last seven years has seen consolidation of trading arrangements by European nations within the European Union (EU), formation by The US, Canada and Mexico of the North American Free Trade Alliance (NAFTA), and the Asia Pacific Economic Co-operation (APEC) forum set up by countries in the far east. It is natural to worry that if countries form a trade block they will become more insular, trading more with each other and less with the outside world.

The current wrangle over bananas between the EU and the US is a case in point. The US claim that EU countries are giving favoured access to banana producers from former colonies, and closing out imports from US owned banana plantations. And it is almost certainly the case that the European Union has enabled members to stand firm against US objections. Individual members acting alone would probably have backed down over this issue long ago.

Under certain circumstances, getting together to stand up to a foreign power is a good thing. But the situation with bananas is almost certainly not one of them. Most estimates suggest that European consumers are paying well over the odds in quota rent - the difference between the market value of high price protected bananas and the cost of buying them elsewhere. Less than 10% of the cost of the quota is reckoned to end up in the hands of the developing countries that this policy is aimed at assisting. Martin Wolf provides an excellent overview of this issue in the *Financial Times* (24/3/99). We would not wish to criticise the desire to help the economies that are favoured by these policies, merely to argue that there are more efficient ways of doing so.

Perhaps the most pernicious effect of this strategy is the retaliation that it has provoked. European policy makers may argue quite convincingly that they are protecting jobs in Europe's territories and its dependencies by imposing these measures. What they do not say is that trade partners that are hurt by these measures will tend to respond by becoming more protectionist. In anticipation of the WTO ruling on this issue, the US imposed tariffs at a rate of 100% with effect from the 3rd of March 1999, on a range of imports from Europe. So while jobs appear to be saved by restricting imports, more may be lost when exports fall under retaliation.

It is difficult to hold a serious discussion about the banana issue because in wider circles it is seen as being so trivial. But the gravity of the situation comes with the fact that it may spread to a full scale trade war involving many more goods, and perhaps many more countries. And it is sensible to argue that in an environment not just of countries but of trade blocks the risks that this may happen are heightened. Why? Because rather than facing a cold lonely world if it does come to an all out trade war, countries know that at least they will be able to fall back on trade with other members of their block.

Conventional thinking has it that the WTO will prevent a trade war. But more than this, its rules are designed to ensure that trade block formation promotes rather than penalises the multilateral liberalisation process. Article XXIV, the WTO's set of rules governing trade block formation, states that countries are allowed to form a block on the condition that they do not become more protectionist towards outsiders. And the WTO has an arbitration process through which such rules can be enforced, attested by the current proceedings against the EU. To rationalise Article XXIV, the reasoning goes as follows. In addition to the fact that block members are not allowed to become more protectionist, one of the features common to all trade blocks is that they remove protectionist measures against members. Providing that trade block formation leaves members better off, so the argument goes, this process can be expected to continue until all countries are a member of one all encompassing trade block, equating to free trade.

Whilst this argument is appealing in its simplicity, recent research that we have undertaken argues that it is wrong*. Trade block formation under Article XXIV will not bring about free trade.

The point overlooked by the conventional wisdom is that even if blocks do not become more protectionist against non-members, trade block formation will still make members better off, and furthermore that this will be at non-members' expense. The implication of block formation that has been overlooked can be explained most easily as an exchange rate effect. Take, as an illustration, the efforts being made within the EU to form a single market. The principle intention of this is to increase trade between member states. With all else equal they will trade less with the rest of the world as a result. Consequently, their currencies will appreciate against those of non-Europeans like the yen and the US dollar. This increases the purchasing power by Europeans of non-European goods, making them better off. Conversely, it reduces the purchasing power of non-Europeans over European goods, to their detriment. All this happens because trade within the Union is facilitated, and happens even if trade with outsiders is made no more difficult.

How does this relate to whether trade block formation will lead to global free trade? The key insight is simple. If the benefits from membership of an exclusive club are derived partly by making outsiders worse off, then the club will not throw open its doors to all comers. At its most basic level this works on nothing more than the principles of kudos and envy. It becomes particularly interesting to economists when the mechanism through which members benefit and outsiders are made worse off operates through the market.

Facilitating trade between block members has exactly this effect. The purchasing power of block currencies increases, whilst that of outsiders declines. Consequently, trade blocks do not have an

incentive to allow all applicants to join, because some of the benefits of membership come from being able to purchase the products of outsiders more cheaply on world markets. So there is a limit to the expansion that can be expected from existing blocks, and free trade between all countries will not result from this process.

In conclusion, there are many reasons why countries might have seemed more interested in becoming part of a trade block than engaging purely in multilateral trade liberalisation. The surprise is that WTO officials, in trying to understand why this is happening, should look to the incentives created by their own rules for at least part of the answer.

* Zissimos, B. and Vines, D. (1999) "Is Article XXIV Bad?" forthcoming as a CSGR discussion paper.

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DEVELOPING COUNTRIES AND THE MILLENNIUM ROUND

By
John Whalley

Developing Countries and the Millennium Round

A central issue for a new round of WTO negotiations, commonly labelled the Millennium Round, is how special trade rules for developing countries might evolve. Whether or not a Millennium Round will be launched is at present a contentious issue. In North America, doubts circulate as to the feasibility of obtaining Congressional approval for fast track authority, but at the same time it is recognised that the third WTO Ministerial to be held in the United States this Fall (Nov.30-Dec.3 1999) could still generate sufficient political momentum to produce a launch, even without US fast track.

Current preferential treatment for developing countries under the trade rules originally embodied in the GATT, is now in GATT 1994 and the WTO agreements. The broad idea for four decades or more has been to inject design elements into the trading system which would better facilitate the growth and development of developing countries. The search for these rules has followed a path of first unifying the developing countries in a common demand for special rights to protect their industries and be granted preferential access to foreign markets in the 1960's, and then seeing them adopt a negotiating posture of non-reciprocity within the earlier Tokyo Round negotiations, reflecting this demand.

It has been common in both policy and negotiating circles for the last 15 years or so to view the trade arrangements that have resulted as worth little to the developing countries. Special rights to protect are opposite to the trade theoretic view that small countries gain most from free trade. And these arrangements are alleged to have yielded little or nothing on the access side. As a result, during the last WTO Uruguay Round a weakening of commitment to a common negotiating position for developing countries occurred in favour of pursuit of country interest, accompanied by growing belief in many of the larger and mid income developing countries that their previous search for special treatment had in reality yielded them little of substance.

But in the Uruguay Round a new form of special treatment also emerged, focussed on the problems that developing countries may have in integrating their economies into the global economy. The context is special adjustment problems, and the implications of weaknesses in their domestic policy capacity for external sector policies. A bewildering array of new elements in favour of developing countries were injected into the system on these grounds, seemingly having little to do with special rights to protect or preferential access. They were arrived at late in the Round, partly as an implicit form of compensation for accepting disciplines, and were *ad hoc* in design. They cover special developing country delays on implementation; preferential elements in certain new Uruguay Round disciplines; special flexibility in WTO procedures on behalf of developing countries; new best efforts commitments by developed countries on behalf of developing countries; special technical assistance; and special developing country rules in GATS.

Many of these arrangements have yet to be invoked. A significant portion is focussed exclusively on the least developed countries. This picture of seemingly little applied provisions, in part, reflects the wider context to the Uruguay Round that following their extensive unilateral liberalisation which occurred contemporaneously to the Round, developing countries could hardly claim new special rights to protect. And yet further MFN tariff reductions by OECD countries also made preferential market access in manufactures less significant. On the other hand, the logic underpinning these arrangements is special adjustment problems of developing countries during their process of integration into the global economy, even if to many they come across as tokenesque compensation for acceptance by the developing countries of negotiated WTO disciplines.

Beyond the Uruguay Round and into the Millennium Round, there is an obvious need to better focus these arrangements, assuming they are not written off altogether as a pointless search by the developing countries. What exactly are the special adjustment problems of developing countries, and what forms of special WTO treatment do they motivate, and for what? What are the limits on developing country policy capability at issue, and how do they translate into concrete benefits? There are a range of justifications and two examples may help. Countries facing collusive behaviour of foreign suppliers into their domestic market with no domestic competition policy may argue they need rights to special duties to combat collusion (anti collusion duties, the opposite of dumping in being selling above cost). Countries with limited capability to enforce environmental policies may need to resort to investment screening, in part to internalize environmental externalities. Probably not all developing countries would be able to argue their case for such benefits with equal force, and the refocusing of such benefits heavily onto the least developed countries in the Uruguay Round might be defensible on such grounds.

There are other potential ways to elaborate on existing rules. One is to seek both extension of and binding of GSP benefits to cover agriculture. With high bound tariffs resulting from tariffication in the Uruguay Round, new margins of preference would now be worth much more in agricultural than for manufactured products. Getting such margins of preference (say $\frac{1}{2}$ of MFN rates) explicitly bound in the WTO would make benefits irreversible, and prevent their subsequent erosion (as happened with earlier GSP schemes). Another is more aggressive pursuit of existing developing country benefits, in part via dispute settlement and added transparency mechanisms, such as an annual WTO developing country report. An example of an area worth more aggressively exploring is the commitment by developed countries in the Uruguay Round to pursue alternative remedies before taking anti dumping actions against developing countries. This is a commitment that developed countries have yet to meet via information provided on their efforts. An even broader issue is whether a rewritten Part IV of GATT could produce some further developing country relief from trade remedy actions in the OECD (and also from each other).

The bottom line is that several directions seem to offer themselves for more elaboration on and more assertive pursuit of new trade rules by the developing countries, if they choose to explore them. Whether such elaboration's would be a negotiating target of choice for developing countries seemingly concerned to mainly achieve passive benefits by blocking the introduction of threatening issues (trade and labour standards, trade and the environment) into a new WTO negotiation, and whether they are negotiable.

GLOBALISATION AND EUROPEANISATION

**By
Ben Rosamond**

Ben Rosamond has been awarded £74,542 by the Economic and Social Research Council for his three-year project entitled 'Globalisation, EU Economic Policy Communities and the Construction of European Identities'. Ben's work is funded as part of the ESRC's new 'One Europe or Several?' programme directed by Professor Helen Wallace of the University of Sussex.

Ben's research will work from the broad hypothesis that particular ideas about globalisation can be used to lend legitimacy to the growth of European Union-level economic governance. The project will examine if and how common understandings of external context affect the development of the EU as a legitimate economic and policy-making entity. It will also examine how different understandings of globalisation feed into and reflect conflicting interests, identities and preferences within EU policy-making communities. Finally the project investigates how certain actors' claims about globalisation triumph over others in policy-making through processes of persuasion, communication and advocacy.

The research will be conducted via two case studies. The first examines conceptualisations of globalisation within the European Commission. It will analyse how far common ideas about globalisation have been used to galvanise policy development within the Commission. Also important will be to gauge the extent to which alternative conceptions of globalisation are embedded within various Commission DGs and how these impact upon policy development. The second case study examines the Europeanisation of employment law and industrial relations policy-making in the UK. It focuses in particular on how commonly held conceptions of globalisation might feed into the strategies of different labour market organisations.

The work is largely a study of discourses of and ideas about political economy, but the project also aspires to set up genuine dialogue between the academic and policy communities. To that end, the project will be the springboard for various workshops and colloquia. Aside from obvious synergies with other 'One Europe or Several?' projects, such as that directed by Dr Colin Hay at the University of Birmingham on the relationship between globalisation and labour markets, Ben is also establishing connections with new and various ongoing work in cognate areas across Europe. These include projects led by Professor Beate Kohler-Koch at the University of Mannheim (Germany), Professor Thomas Risse at the European University Institute (Italy) and Professor Knud-Erik Jorgensen at the University of Aarhus (Denmark).

JUSTICE AND THE WORLD ECONOMY

PROCEEDINGS OF CENTRE WORKSHOP PUBLISHED AS 75TH ANNIVERSARY ISSUE OF *INTERNATIONAL AFFAIRS* 75(3)1999

**'The political problem of mankind is to combine three things:
economic efficiency, social justice and individual liberty'**
(John Maynard Keynes, Essays in Persuasion, 1931)

Perhaps the most important normative issue in international affairs under in the next century will revolve around the relationship between the impact of globalisation on justice. Indeed, much of the empirical and technical work undertaken in CSGR--be it the study of financial crises, the reform of the trading system or the study of regionalism--has, if sometimes only implicitly, a 'justice dimension' underwriting its assumptions. It is thus appropriate that CSGR, in association with the New York based Carnegie Council for Ethics and International Affairs should host a workshop on the issue of 'Justice and the World Economy' and that the key papers from the workshop should form the basis of the 75th anniversary edition of the UK's (and one of the world's) leading journal of international relations, *International Affairs* (the Journal of the Royal Institute of International Affairs at Chatham House).

While the world of *International Affairs* seventy five years ago is dramatically different to the world at the end of the twentieth century, the issues debated in the pages of the journal are still strikingly similar: states still contest each other for power and influence, war and insurrection still exist, and the effects of the world economy on the fortunes of nations still exercises the minds of national, and increasingly international, policy makers. But there are differences; notably those arising from the dynamic processes of globalisation that research at CSGR, and in many other scholarly works and institutions it must be said identify. Under conditions of globalisation, our ability to satisfy Keynes' three requirements is as remote now as at the time he was writing. Neither markets nor the extant structures of governance appear capable of providing for all three conditions at once. Globalisation has improved economic efficiency and it has provided enhanced individual liberty for many; but in its failure to ensure social justice on a global scale, it also inhibits liberty for many more.

Conventional accounts of justice suppose the presence of a stable political society, community or state as the site where justice can be instituted or realised. Moreover, conventional accounts, whether domestic or global, have also assumed a Westphalian cartography of clear lines and stable identities and a settled, stable social bond. In so doing conventional theories--essentially liberal individualist theory (and indeed liberal democracy more generally)--have limited our ability to think about political action beyond the territorial state. But what if the territorial boundaries of politics are coming unbundled and a stable social bond is deteriorating? Must a conception of justice relinquish its Westphalian co-ordinates? These are not merely questions for the political philosopher. In a time when the very fabric of the social bond is constantly being re-woven by globalisation, they cast massive policy shadows.

The forces and pressures of modernity and globalisation, as time and space compress, render the idea of a stable social bond improbable. If this is the case, how are we to think about justice? Can there be justice in a world where that bond is constantly being disrupted, renegotiated and transformed by globalisation? What are the distributive responsibilities under conditions of globalisation, if any, of states? What should be the role of the international institutions in influencing the redistribution of wealth and resources on a global scale? These questions--addressed in the papers from this CSGR/Carnegie Council workshop are serious normative questions about governance. In the absence of institutions of governance capable of addressing these questions, justice (no matter how loosely defined) is unlikely to prevail.

To-date, the question of 'justice'--a central question of academic political philosophy as practised within the context of the bounded sovereignty of the nation state--is underdeveloped as a subject of study under conditions of globalisation. Similarly, the study of globalisation--especially when understood as economic liberalisation and integration on a global scale--has been equally blind to 'justice' questions. This should come as no surprise. The struggle to separate normative and analytical enterprises has long been common practice in the social sciences. Indeed, it has been for a long time the hallmark of 'appropriate' scholarly endeavour. But such is the impact of globalisation that we need to consider--as the ESRC's contract with CSGR exhorts us to do--how we can traverse this artificial divide? Nowhere is this more important than at the interface of the processes of globalisation and our understanding of what constitutes the prospects for creating a just international order at the end of the second millennium.

The papers delivered at the CSGR/Carnegie Council workshop and published in *International Affairs* suggest we need to begin to think more seriously and systematically about the relationship between globalisation, governance and justice. They provide both a general introduction to the key aspects of the debate over 'global justice' as well as representing exercises in different approaches to the question of how to enhance justice under conditions of globalisation. The big question raised and addressed in the papers is the degree to which global justice can become an appropriate concern under conditions of globalisation. This is not simply a practical question. Indeed, two major lines of normative objection to the very manner in which the question is posed exist in modern theoretical debate and policy life:

Firstly, there exists an essentially neo-classical economic claim that to the degree of regulation required to create the necessary instruments for the development of greater global justice would make unacceptable inroads into the free operation of market structures best left to their own devices. Rather, it is argued, justice is impossible without initial wealth creation and wealth creation at the global level is accelerated by the absence of intervention from regulatory (invariably statist) actors. Secondly, and as realist scholars of international relations would argue, 'justice questions' of allocation and distribution can only take place when there is a settled hierarchy of social goods and ends of the kind that only exist under conditions of state sovereignty; not under conditions of 'anarchy' that epitomise the modern international system.

Both views are becoming increasingly questioned and the papers from the CSGR/Carnegie Council Workshop outline the nature of these critiques of prevailing orthodoxies in some detail. On the question of wealth creation, even leading globalisers--proponents of continued global economic liberalisation occupying positions of influence in either the public or private domain--now concede that globalisation (in this context essentially economic liberalisation) has failed to deliver a more just global economic order, may hold within it the seeds of its own demise. As James Wolfensohn, President of the World Bank, noted '...[i]f we do not have greater equity and social justice, there will be no political stability and without political stability no amount of money put together in financial packages will give us financial stability'. His words are a sign of the times in the international financial institutions and reflect the policy rethink taking place in some quarters of the international institutional. These arguments are subject to closer scrutiny in the paper by Higgott and Devetak.

The papers by Armstrong, Beitz, Bohman and Linklater demonstrate that even if international politics does not have a settled social hierarchy so dear to the heart of the realist, it is possible to argue that there are a set of largely agreed global principles and rules identified through international agreements, regimes and organisations, which could act as the initial vehicles for a greater consideration of justice questions. It is in the interplay of states and markets, and the international architecture (reformed or unreformed) spawned by this interplay on the one hand and progressive forces within an increasingly articulate global civil society on the other, that the answers to these questions will, or will not, be found in the next century. As the papers in *International Affairs* demonstrate however, his will not be easy. We have an analytical deficit occasioned by the failure of economic liberalism to assess the threat to its legitimacy emanating from its theoretical and practical myopia towards the political and cultural dynamics at work under globalisation--the key sources of resistance to it.

Neo-liberalism, with its emphasis on global commercialisation, has forgotten why societal and democratic governmental structures were developed over the centuries. States have important practical assets and moral and ethical theoretical roles to play. They are not mere passive actors in the face of globalisation. Justice, difficult as it would be even if we could conceive of structures of global governance that might deliver it, will prove even more elusive in the absence of such political structures under conditions of economic globalisation. The prospects of a satisfactory synthesis of a liberal theory of economic globalisation and a normative political theory of global governance able to provide for greater justice are still a long way off. The papers from the CSGR/Carnegie Council workshop published in *International Affairs* go some way to identifying the constraints that need to be overcome if such a synthesis is to transpire at the theoretical level and have relevance for policy makers at the practical level.

Richard Higgott

Director delivered the following papers:

'Coming to terms with Globalisation: An Agenda for Justice and Governance in the Next Century' the Inaugural Distinguished Lecture, Institute for Globalisation and the Human Condition at MacMaster University, Ontario, Feb. 24 1999

'The Costs and Benefits of Globalisation', Plenary Address, Thirteenth Asia Pacific Roundtable, ('The Asian Davos') Kuala Lumpur, June 1, 1999:

'Justice and the World Economy', The Carnegie Council for Ethics and International Affairs, New York, June 10, 1999.

'From Globalisation to Glamorisation The Rise of the NGO', Washington: 40th Annual Convention, International Studies Association, Washington DC, Feb. 20 1999: 1-33.

'The Asian Crisis and its Implications for Regionalism in Asia', Third Meeting Japanese Political Science Association/ European Consortium for Political Research, Kumamoto, November 13-15, 1998: 1-33.

'The Future of ASEM and the Relationship with the USA', ASEM at the Crossroads: Retrospect and Prospect for Euro-Asian Relations, First Annual Yonsei University--Warwick University Conference, Seoul, November 9-11, 1998, pps 1-34. (Also conference Co-convenor).

The following papers have been published.

'Justice Unbound? Globalisation, States and the Transformation of the Social Bond' *International Affairs*, 75 (3) 1999 515-30, with Richard Devetak,

'Economics, Politics and (International) Political Economy: The Need for a Balanced Diet in an Era of Globalisation', *New Political Economy*, 4 (1) 1999, 23-36.

'Aussenpolitische Konsequenzen der Asien Krise: Verlierer Japan, Gewinner China? (with Heribert Dieter) *Internationale Politik*, 53 (10) 1998: 45-52

'The International Politics of the Economic Crisis in East Asia: Some Longer Term Implications', *New Political Economy*, 3 (3) 1998: 333-56. 'Globalisation, Regionalisation and Identity in East Asia: Lessons from the Economic Crisis of 1997/8', in Peter Dicken, Lilly Khong, Kris Olds, Phillip Kelly and Henry Yeung (eds) *Globalisation and the Asia Pacific: Contested Territories*, London, Routledge, 1999: 91-106.

'Australia: A Liminal State', (with Kim Richard Nossal) in Emmanuel Adler and Michael Barnett (eds) *Security Communities*, Cambridge: Cambridge University Press, 1998: 265-294.

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NICHOLAS RENGER is Reader in Political Theory and International Relations at the University of St Andrews and Chair of the Royal Institute of International Affairs' Scottish Branch. He is the author of *International relations, political theory and the problem of order: beyond international relations theory?* (forthcoming).

- The evolving spheres of international justice** 473

ANDREW LINKLATER is Professor of International Relations and Dean of Postgraduate Affairs at Keele University. His most recent book is *The transformation of political community: ethical foundations of the post-Westphalian state* (1998).

Recent discussions about globalization and increasing global inequalities of wealth have reawakened interest in the possibility of a just international order. The unequal distribution of wealth remains central to discussions of global justice but it is not the sole consideration. Additional issues are raised by the democratic deficit in international relations, the growing importance of cross-border harm, the need for co-operation to protect the environment and the treatment of non-human species. These different spheres of justice prompt the question of whether states can act as agents of reform, encouraged by the more progressive forces in global civil society. A related issue is whether the interplay between the states-system and global civil society will lead to more cosmopolitan forms of national and international law. Answers to these questions require new advances in normative and empirical inquiry.

- Justice unbound? Globalization, states and the transformation of the social bond** 483

RICHARD DEVETAK is Lecturer in International Relations at the University of Warwick. He is the co-author (with Scott Burchill, Andrew Linklater, Matthew Paterson and Jacquie True) of *Theories of international relations* (1996) and is currently working on a book entitled *A genealogy of the international: the 'sorry comforters' and the origins of international relations*.

RICHARD HIGGOTT is Professor of International Political Economy and Director of the ESRC Centre for the Study of Globalisation and Regionalisation, University of Warwick. He is the current Editor of *The Pacific Review* and is co-editor (with Andreas Beiler and Geoffrey Underhill) of *Non-State actors and*

authority in the global system (1999).

Conventional accounts of justice suppose the presence of a stable political society, stable identities, and a Westphalian cartography of clear lines of authority – usually a state – where justice can be realised. They also assume a stable social bond. But what if, in an age of globalization, the territorial boundaries of politics unbundle and a stable social bond deteriorates? Can there be justice in a world where that bond is constantly being disrupted or transformed by globalization? This article thus argues that we need to think about the relationship between globalization, governance and justice. It does so in three stages: first, it explains how, under conditions of globalization, assumptions made about the social bond are changing, second, it demonstrates how strains on the social bond within states give rise to a search for newer forms of global political theory and organisation, and the emergence of new global (non-state actors) which contest with states over the policy agendas emanating from globalization; and third, despite the new forms of activity identified in the second stage, the article concludes that the prospects for a satisfactory synthesis of a liberal economic theory of globalization, a normative political theory of the global public domain, and a new social bond are remote.

International regimes and democratic governance: political equality and influence in global institutions

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JAMES BOHMAN is Danforth Professor of Philosophy at Saint Louis University. He is author of *Public deliberation: pluralism, complexity and democracy* (1996) and *New philosophy of social science: problems of indeterminacy* (1991). He has also recently edited books on *Deliberative democracy* (with William Rehg) and *Perpetual peace: essays on Kant's cosmopolitan ideal* (with Matthias Lutz-Bachmann). He is currently writing a book on how moral and epistemic pluralism and cosmopolitan contexts require new interpretations of democratic ideals of equality, publicity and freedom.

Proponents of cosmopolitan democracy rely primarily on institutional design to make their case for the feasibility of democratic governance at this level. Another strategy seems more plausible: proposing a ‘non-ideal’ theory in Rawls’s sense that examines the social force and conditions currently promoting democracy at the international level. The strongest forces operating now are various transitional associations that help to produce and monitor regime formation and compliance. Such a highly decentralised form of governance suggests that democratisation is thereby promoted by a dense network of associations in international civil society, a global public sphere, and responsive political organisations. However much these forces disperse power through the normative principle of equal access to political influence, they could also fall well short of realising desirable ideals such as free and open deliberation. In order not to devolve into an interest group pluralism, the decentralised strategy requires that a richer democracy be realised through the legal institutionalisation of free and equal access to the global public sphere.

CHARLES R. BEITZ is Dean for Academic Affairs and Professor of Government at Bowdoin College, Brunswick, Maine. He is the author of *Political equality* (1989), *Political theory and international relations* (1979 and 1999) and numerous articles on international political theory.

A central divide in philosophical thought about international distributive justice separates ‘social’ from ‘cosmopolitan’ liberalism. These views differ about the nature of the problem of international justice: social liberals are primarily concerned about fairness to states or societies, whereas cosmopolitan liberals are concerned about fairness to individuals. This article explores three reasons why philosophers interested in international distributive justice often regard social liberalism as the more plausible view. These reasons have to do with alleged differences between domestic and international society: empirical beliefs about the sources of backwardness; and moral preconceptions about the fairest allocation of the costs of irresponsible economic and population politics. The article argues that none of these reasons is persuasive, and that the deep ethical distinction between the domestic and the international realms, on which social liberalism depends, is more difficult to defend than many philosophers have thought.

Global environment and international inequality

HENRY SHUE is the Wyn and William Y. Hutchinson Professor of Ethics and Public Life at Cornell University and the first Director of Cornell’s Program on Ethics and Public Life. In 1976 he became a founding member of the Institute for Philosophy and Public Policy, a research centre devoted to the examination of the ethical aspects of public affairs. He is the author of *Basic rights* (1996).

This article suggests that three widely shared common-sense principles of fairness or equity converge upon the same general answer to the question of how the costs of dealing with a global environment challenge like climate change could be distributed internationally. The first of these principles is that when a party has in the past taken an unfair advantage of others by imposing costs upon them without their consent, those who have been unilaterally put at a disadvantage are entitled to demand that in the future the offending party should bear burdens that are unequal at least to the extent of the unfair advantage previously taken, in order to restore equality. The second is that, among a number of parties, all of whom are bound to contribute to some common endeavour, the parties who have the most resources normally should contribute the most to the endeavour. The third common-sense principle is that, when a) some people have less than enough for a decent human life, b) other people have more than enough, and c) the total resources available are so great that everyone could have at least enough without preventing some people from still retaining considerably more than others have, it is unfair not to guarantee everyone at least an adequate minimum.

DAVID ARMSTRONG is Professor of Politics at the University of Durham, having previously been Founder and Director of the Graduate School of International Studies at the University of Birmingham. Among his books are *Revolution and world order: the revolutionary state in international society* (1992) and *From Versailles to Maastricht: international organizations in the twentieth century* (with Lorna Lloyd and John Redmond, 1996).

This article examines the thesis that international law is evolving in ways that reflect the requirement of world justice rather than international order and that are appropriate to an emerging world society rather than the traditional society of states with which international law is normally associated. After considering arguments for and against this thesis, the article concludes that neither adequately describes the nature of international society at the end of the millennium.

The viability of the United Nations approach to economic and social human rights in a globalized economy

WILLIAM F. FELICE is Assistant Professor of International Relations and Global Affairs at Eckerd College, Florida. He is the author of *Taking suffering seriously: the importance of collective human rights* (1996).

The United Nations approaches economic and social human rights through a framework of legal positivism. States are called on to respect, protect and fulfil their legal obligations contained in international human rights law. The state remains ultimately responsible for guaranteeing these economic and social human rights. This article explores the viability of this statistic approach in this era of economic globalization. The less developed countries often face economic deprivation caused not by state action/inaction but by the global economic system itself. In many key respects states appear to be losing their capacity to regulate their economies and labour markets effectively. Yet despite the shrinking nature of our global community, the state is still central in the creation of the proper environment for the fulfilment of these rights. This article analyses the national strategies that governments can pursue to respect, protect and fulfil the economic and social rights of their citizens, and thus meet their international legal obligations.

On the hazards of foreign travel for dictators and other international criminals

MARC WELLER is Deputy Director of the Centre of International Studies and Fellow in International Relations of Hughes Hall, University of Cambridge. He is also a member of the Faculty of Law and is the Director of Studies in Law of Darwin College, University of Cambridge. Among his most recent publications is *The Yugoslav crisis in international law: general issues* (co-editor with Daniel Bethlehem, 1997), and he is currently preparing a book on *Shifting representation: the fundamental dissociation*

of peoples and populations from effective authorities.

The Pinochet case highlights important developments in the international constitutional system which have become gradually established over the past half-century. These developments relate to the position of the state within the international constitution and the decreasing relevance of classical views centred upon state sovereignty and legal positivism. It was made clear that the powers and functions of the state are regulated by and embedded within the international legal system, including fundamental material rules of constitutional standing. Several of these rules enjoy a *jus cogens* and *erga omnes* status. Violations can involve crimes or state plus individual responsibility for the offenders directly under international law. And, according to the expanding doctrine of genuine universality, all states may enjoy a legal entitlement to exercise jurisdiction in relation to offenders who cannot claim the benefit of sovereign immunity. However, the Pinochet case also points to some difficulties. These lie principally in the failure of individual states to create the necessary domestic criminal law to implement genuine universality. Problems also arise in relation to crimes which claim special universality on the basis of law-making conventions, but which have not yet been established in general international law.

Peace conferences and the century of total war: the 1899 Hague Conference and what came after

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GEOFFREY BEST is a Senior Associate Member of St Anthony's College, University of Oxford, and previously a Visiting Fellow at the Centre for International Studies at the London School of Economics and Political Science. Between 1974 and 1982 he was Professor of History at the School of European Studies in the University of Sussex. He is the author of *War and law since 1945* (1994), joint winner of the International Committee of the Red Cross triennial 1997 Paul Reuter Prize.

The Hague Peace Conference of 1899 was unprecedented and momentous. Pressed by public concern about the arms race and its costs, the governments of all great and most lesser powers, suppressing their doubts about the possibility of achieving anything, convened in May 1899 to discuss the Tsar's draft proposals for general measures of disarmament and pacification. Although there was too much mutual suspicion for any progress with disarmament, the Conference opened up a new era in international relations: its multilateral treaty to encourage arbitration and its establishment of a permanent court to facilitate this may be seen as the germ of the International Court of Justice; and within a batch of measures designed to modernise the laws of war, the Hague Regulations Respecting the Laws and Customs of War on Land, recapitulated at the second such conference in 1907, became the basis of our century's laws of war. Apart from those achievements, given the grand aims of the Conference and the public interest it generated, it can be seen as a prototype of all League of Nations and United Nations gatherings ever since.

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CHRISTOPHER CVIIC is an Associate Fellow of the European Programme at the Royal Institute of International Affairs. He is author of *Remaking the Balkans* (2nd edn, 1995) and is currently writing a book on post – 1989 central Europe.

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MICHAEL COX is Professor of International Politics at the University of Wales, Aberystwyth. He is also Editor of the *Review of International Studies* and an Associate Fellow at the Royal Institute of International Affairs. His most recent publication is *Rethinking the soviet collapse* (1998) and he has just completed two edited books: *American democracy promotion: impulses, strategies, impact* and *E.H. Carr: a critical reassessment* (both forthcoming).

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AFTER THE GLOBAL CRISIS: WHAT NEXT FOR REGIONALISM?

**SCARMAN HOUSE, UNIVERSITY OF WARWICK
16-18 SEPTEMBER 1999**

The University of Warwick's ESRC Centre for the Study of Globalisation and Regionalisation will hold its third annual international conference on the role of regions as a mediating level of governance in the contemporary global political economy. Panels will focus on:-

- the relationship between regionalism and world order
- mechanisms of regional integration
- comparative theoretical frameworks for analysing regionalism
- the development of inter-regional dialogue and collaboration
- regional processes in Europe, North America, Latin America, Africa and Asia
- sub-regionalism and regionalisation

PAPER GIVERS INCLUDE

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Registration details and further information can be obtained from the Conference

Convenor

E-Mail: csgr@warwick.ac.uk
Telephone: +44 (0)2 476 572558
Fax: +44 (0)2 476 572548

The conference organisers gratefully acknowledge financial support from the ESRC, The Japan Foundation, and The Embassy of the Republic of Argentina in the UK.

THE WORLD ECONOMY

MINI –SYMPOSIUM: 50TH ANNIVERSARY OF GATT/WTO

**By
John Whalley**

The four papers that appear in this symposium were presented at a conference held on 17th/18th of July 1998 under the auspices of the ESRC Centre for the Study of Globalisation and Regionalisation at the University of Warwick, UK. The conference was to mark the 50th Anniversary of the signing of the General Agreement on Tariffs and Trade in spring 1948 (after its negotiation in 1947). The papers provided both a retrospective of where the GATT and the WTO had taken the trading system, as well as a prospective on where it might be headed. There was participation at the conference by the WTO secretariat, and additional papers presented by:

Andre Sapir, Universite Libre de Bruxelles, Belgium

Jan Aart Scholte, University of Warwick, UK

Kyle Bagwell, University of Columbia, and Robert W Staiger, University of Wisconsin at Madison, USA

Stefan Tangermann, University of Goettingen, Germany

John Whalley, Madanmohan Ghosh and Carol Perroni, University of Warwick, UK

COMMUNICATIONS REGULATION IN THE GLOBAL INFORMATION SOCIETY

Thursday 3rd - Saturday 5th June 1999

Scarman House, University of Warwick

ESRC European Media Regulation Seminar Group

(Director: Christopher T. Marsden)

In co-operation with the

OECD Science, Technology and Industry Directorate

Chief Sponsor

ESRC Centre for the Study of Globalisation and Regionalisation

The Globalisation Centre-sponsored conference 'Communications Regulation in the Global Information Society', co-organised by the ESRC seminar group in its final event, with the OECD. It provided a framework for understanding a subject which social scientists may initially find intimidating in its dynamic and technologically-led evolution. Its interest was not in engineering, computer science or technical explanations of the networks and applications in use. As social scientists, the contributors examined the economic, legal, political and sociological impact of communications technologies on regulation of communications networks.

With a view to accessibility to a broader interdisciplinary audience, as well as to specialists in each discipline and subject area, the conference was divided into five parts, dealing with simple premises, though in a richly interdisciplinary conversation between speakers, continuing their interactivity through the evening, where after dinner speakers included Eli Noam, William Melody, William Drake and Fod Barnes. The conference asked the basic questions of GIS regulation: why? How? Whom? Where? What? It was increasingly obvious that a simplistic 'self-regulation' or no-regulation paradigm does not pertain, but that issue areas display unique characteristics from which broader conclusions and best practices can be drawn. A basic premise is that as digital communications matures and achieves maturity, so too must regulatory debate and public policy response.

Each session chair provided an analytical introduction or commentary, explaining the broader impact of the subject under discussion. This device, besides providing an invaluable insight into

unofficial policymaking in the GIS, highlighted the most prominent and salient of the debates. The subjects discussed were far more enduring than simply the Microsoft antitrust trial, the first Internet-capable mobile devices, or the Millenium world trade round, whatever the profundity of each separate issue area. The conference had as its aim a more holistic insight into the broad range of subject areas which have as their common theme the regulation of the Global Information Society.

With participation from North America (Yale, Berkeley, Harvard - Law, Business, Government, Yeshiva, Columbia, Texas, Miami, Minnesota, Toronto Universities) and Europe, and from international regulators (World Bank, World Trade Organization, European Commission DGXIII, OECD, Federal Communications Commission, Dutch regulator OPTA, Council of Europe) as well as academics, the conference brought together a unique audience for a rare two day retreat (except for e-mail) at the conference centre. The success of the conversation was such that contributors decided to publish an edited collection of conference papers, edited by Marsden, with an introduction co-authored with Richard Higgott. The collection, *Regulating the Global Information Society*, will be published in 2000.

Abstracts are online at: <http://www.law.warwick.ac.uk/lawschool/commsregconf.html>

Centre for the Study of Globalisation and Regionalisation and Intermediate Technology Development Group announce the final seminar in their 1999 series of joint seminars on Development and Globalisation

“DEVELOPMENT AND THE CHALLENGE OF GLOBALISATION”

to be held at the University of Warwick on the 18th October 1999

Key note address by Professor Walden Bello (PhD Princeton) Professor of Sociology and Public Administration at the University of the Philippines, and Director of Focus on the Global South (an autonomous research, analysis and advocacy program of the Chulalongkorn University Social Research Institute).

Invited papers from the International academic and NGO community on the seminar themes
Environment
Gender
Small-enterprise Development
and their relationship to globalisation

Papers will be followed by open discussion from the floor, with a primary focus on questions of governance and civil society, the role of capacity building and North:South relationships.

The seminar will bring together practitioners, policy makers and researchers from the international community to explore issues at the cutting edge of development with the intention of informing future policy in the thematic areas under discussion.

Ticket price £20.00 to include buffet lunch

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