

Chapter Four:

Globalization and Regionalism

- Globalization and Regionalism are two major phenomena influencing global trends.
- Both characterize a formal and informal reorganization of interstate relations.
- Globalization is a process characterized by increasing interconnectedness or interdependence, driven by the economy, politics, and technology.
- Regionalism deals with politico-economic, social, military, and security issues affecting states in common.

Defining Globalization:

- Globalization is a multidimensional process characterized by:
 - The stretching of social and political activities across state frontiers.
 - The growing magnitude of interconnectedness in almost every aspect of social existence.
 - The accelerating pace of global interactions and process.
 - The growing extensity, intensity, and velocity of global interaction.
- Globalization is synonymous with a process of time-space compression, deterritorialization, and shrinking of the world.
- Globalization embodies a process of deterritorialization as social, political, and economic activities are increasingly stretched across the globe.

Globalization and Its Impacts on Africa:

- Globalization refers to the compression of space and time that enables people from distant areas to interact intensively with each other in various areas.
- Forces driving contemporary globalization include financial, economic, technological, cultural, religious and ideological diffusion.
- The Americanization of the world is a result of the gap between the US and its nearest rival in every sphere, transformed into unparalleled American influence on international issues and decision-making.
- The dominance of unilateralism as a way of conducting international relations has increased in this imperial system under American hegemony.
- The Washington Consensus, a universal paradigm for economic and political development, has been propagated under American influence.

- Africa's position in the global system has been considerably weakened, leading to a loss of economic and human development race to other regions.
- The end of the cold war witnessed an overall decline in Africa's strategic importance, reducing its international negotiating power and autonomy.
- The most important consequence of globalization in the political sphere is the erosion of sovereignty on economic and financial matters, imposed on African countries by IMF, WB, and WTO.
- Globalization has promoted greater respect for human rights and an African press but principles of democratic governance and transparency tend to be applied selectively and subjectively.
- Globalization negatively impacts the development and effective governance of African States, including the reduction of the capacity of governments to determine and control events in their countries, which leads to unaccountability and unresponsiveness to the people.

Forces driving globalization

- Compression of space and time, enabling intensive interaction among people from distant areas.
- Forces include financial, economic, technological, cultural, religious and ideological diffusion.

Americanization of the world

- Result of a gap between the US and its nearest rival in every sphere, transformed into unparalleled American influence on international issues and decision-making.
- Imperial system under American hegemony, with decisions and outcomes largely the result of American unilateralism.
- Propagation of the Washington Consensus, a universal economic and political development paradigm under American influence.

Africa's position in the global system

- Considerably weakened, leading to the loss of the economic and human development race to other regions.
- The end of the cold war witnessed an overall decline in Africa's strategic importance, reducing its international negotiating power and autonomy.

Impacts of globalization on Africa

- Erosion of sovereignty on economic and financial matters, imposed on African countries by IMF, WB, and WTO.

- Promotion of greater respect for human rights and an African press, but principles of democratic governance and transparency tend to be applied selectively and subjectively.
- Negative impacts on the development and effective governance of African States, including the reduction of the capacity of governments to determine and control events in their countries, which leads to unaccountability and unresponsiveness to the people.

The Globalization Debates:

- Globalization is a contentious issue in international relations.
- There are three perspectives: the hyper-globalists, the skeptics, and transformationalists.
- The hyper-globalists view globalization as defining a new epoch in human history, in which nation-states become obsolete to regulate their economy and boundary.
- Hyper-globalists argue that economic globalization is bringing about a de-nationalization/de-territorialization of economies.
- Hyper-globalists share a conviction that economic globalization is bringing about the decline of states.
- Economic globalization is generating a new pattern of losers as well as winners in the international economy.
- The competitive nature of the market would bring new economic classes as winners and losers, hence this puts a challenge for the state, especially welfare states, to help those losers under the constraint of liberal market economy.

Ethiopia in a Globalized World:

- Ethiopia is marginally integrated into the capitalist system during the post-Cold War era, but continued to be marginally integrated into the post-Cold War global capital despite the 17-year interruption during the Derg period.
- The course Ethiopia took to federalize and democratize, such as the FDRE constitution, bears the mark of globalization.
- Ethiopia achieved amazing economic transformation with strategic thinking but faced a fast track of multidimensional changes that positively and negatively affected its place in the globe.
- Negative impacts of globalization on Ethiopia include expansion of information communication, rise of religious radicalism, socio-cultural impact of western values, and rise of radical nationalism and ethnicity.

Pros and Cons of Globalization:

- Merits of globalization include expansion of democratic culture, human rights, protection of minority and subaltern groups, innovation in science, medicine, technology and

information communication, improvement of quality of life, advancement of human security and safety, and birth of a new sense of global society.

- Free movement of goods, services, people, ideas, expertise, knowledge, and technology across national borders strengthened international interdependence.
- Demerits of globalization include the prevalence of a gap between rich and poor, Western imperialism of ideas and beliefs, erosion of sovereignty of non-Western countries, multiplication of risks, threats and vulnerabilities like global terrorism, religious fundamentalism, and arms and human trafficking.
- Globalization has contributed to the rise of radical nationalism and ethnicity, which set the context for the emergence of the era of identity and identity conflicts.

Defining Regionalism and Regional Integration:

- A region can be defined as a limited number of states linked together by a geographical relationship and by a degree of mutual interdependence.
- Regionalism refers to intensifying political and/or economic cooperation processes among states and other actors in particular geographic regions.
- Regional integration refers to the deepening and widening of economic and political cooperation among states and other actors in the particular geographic region

Regional Integration in Africa

Historical Context of Regional Integration

- Debate about regionalism in developing countries linked to colonialism/anti-colonialism and economic development quest.
- Influenced by the Structuralist tradition of economic development led by Gunnar Myrdal, Arthur Lewis, and Raúl Prebisch.
- Latin American structuralist discussion aimed to create an enlarged economic space in Latin America to enhance import substitution regionally.
- Rationale of regional cooperation and integration was to foster structural transformation and stimulate productive capacities.

Latin American Free Trade Association (LAFTA)

- Created in Montevideo in 1960 as a comprehensive and continental project.
- Included all countries on the South American continent plus Mexico.
- Little economic impact and never implemented on a larger scale.

African Regionalization

- Major purpose of regionalization was to resist colonial and post-colonial influence, protectionism, and realizing import substitution.
- Various state-led regional organizations in Africa were CFA (Community of French Africa), East African Community (EAC), SACU (Southern African Community Union).
- The SADCC (The Southern Africa Development Coordination Conference, a predecessor of the SADC) was established to resist the influence of Apartheid and external dependency.

New Regionalism

- Prospect of the fall of the Berlin Wall and 1985 White Paper on the internal market and the Single European Act led to a new dynamic process of European integration.
- This was also the start of what has often been referred to as ‘new regionalism’ on a global scale.
- The new regionalism referred to a number of new trends and developments such as the spectacular increase in the number of regional trade agreements, an externally oriented and less protectionist type of regionalism, and an anti-hegemonic type of regionalism which emerged from within the regions themselves.
- The increasing importance of various business and civil society actors in regionalization.

Old Regionalism vs. New Regionalism

- Old regionalism focused on regional integration for economic development, state-promoted industrialization, and nation-building through protectionism and import-substitution.
- New regionalism is characterized by an anti-hegemonic type of regionalism which emerged from within the regions themselves, an externally oriented and less protectionist type of regionalism, and the increasing importance of a range of business and civil society actors in regionalization.
- Old regionalism was primarily centred around trading schemes or security cooperation while new regionalism is more multi-dimensional and pluralistic with a more varied institutional design.
- The old regionalism was in a world order context of the bipolar world cold war while the new regionalism is in a context of resisting, taming, or advancing economic globalization.

Supra-nationalism:

- To understand the supranational perception of European integration, we must study Neo-functionalism.
- Neo-functionalism developed three mechanisms for European integration: positive spillover effects, transfer of allegiances to the supranational political arena, and technocratic automaticity.

- Spillover effect happens when integration in a sector incentivizes integration in other sectors.
- The second mechanism is the process of domestic interest groups shifting their activities from domestic to international.
- Established supranational institutions develop an interest of their own in the third mechanism.
- European Commission has an intrinsic interest in expanding its competencies.

Selected Cases of Regional Integration:

- Regional integration is Eurocentric, mainly influenced by the development in Europe.
- European Union began as European Economic Community and continued to influence the experiment of regionalism in the rest of the world.
- African Union (AU) imitated EU and was established to realize the unification of African markets towards eventual political unification.
- AU has achieved a lot in terms of opening African Free trade Areas, issuing visas on arrival and strengthening regional organizations.
- Association of South East Asian States (ASEAN) was founded in 1967, established a preference area in 1977, and the Asian Free Trade Area in 1992.
- The main motive of regional solidarity in ASEAN was not economic but political and security motives.

Regionalization versus Globalization and State:

- The way regionalization, globalization, and the state interact have various forms based on the issues under consideration.
- The nature of interaction among the three on economics and security issues greatly differ.
- The trend toward economic regionalism is perhaps more mixed than the trend toward security regionalism.
- There is no major impetus toward globalization in the security arena, perhaps with the exception of nuclear issues such as nonproliferation.
- The regionalization of security is not a universal trend like the formation of economic regions.

The Relations between Regionalization and Globalization

- Three options: regionalization as a component of globalization (convergence), regionalization as a challenge or response to globalization (divergence), and regionalization and globalization as parallel processes (overlapping trends).

- Regionalism is a force in the processes of globalization.
- Regional integration is part of the international economic order and a result and component of globalization.
- Globalization may be expressed through regionalization.
- Regionalism may stem from a reaction and challenge to the amorphous, undemocratic, and inexorable economic rules of globalization.
- The drive toward forming regions might be motivated by denying a single universal culture and promoting alternative or pluralistic forms of social and political organizations.
- Regionalization and globalization might act as parallel or overlapping processes.

Regionalization, Globalization and the State

- Seven possible linkages between nationalism, the nation-state, and globalization: nation-states oppose globalization, nationalism and the formation of new states are encouraged by globalization, nation-states oppose the forces of regionalization, nationalism and the nation-states can be strengthened through regionalism, regionalization coexists with nationalism and globalization, nation-states mediate between trends of regionalization and globalization, and nation-states oppose globalization through regionalization.
- Processes of disintegration, fragmentation, autarky and localization diverge from the overall trend of globalization.
- The persistence or resurgence of nationalism can be regarded as a response to the alienating forces of the global market.
- Globalization might promote nationalism and the formation of new states.
- Technological changes might improve the material conditions for enhancing or resurgent nationalistic trends.

Self-check Exercises:

1. What are the three options regarding the mutual relations between regionalization and globalization?
 - The three options are: regionalization as a component of globalization (convergence), regionalization as a challenge or response to globalization (divergence), and regionalization and globalization as parallel processes (overlapping trends).
2. What is regionalism's relation to globalization?
 - Regionalism is a force in the processes of globalization.
3. How can regional integration be interpreted in the international economic order?

- Regional integration can be interpreted as part of the international economic order and a result and component of globalization.
4. What might motivate the drive toward the formation of regions?
 - The drive toward forming regions might be motivated by denying a single universal culture and promoting alternative or pluralistic forms of social and political organizations.
 5. What are the seven possible linkages between nationalism, the nation-state, and globalization?
 - The seven possible linkages are: nation-states oppose globalization, nationalism and the formation of new states are encouraged by globalization, nation-states oppose the forces of regionalization, nationalism and the nation-states can be strengthened through regionalism, regionalization coexists with nationalism and globalization, nation-states mediate between trends of regionalization and globalization, and nation-states oppose globalization through regionalization.
 6. How might globalization promote nationalism and the formation of new states?
 - Through technological dissemination, globalization might promote nationalism and the formation of new states.

NB: All the above notes are not exhaustive and are meant to be a quick reference guide for the final exam. Studying the **course module** for a comprehensive understanding of the topic is recommended.