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BEYOND STATE CENTRISM: REGIONAL COOPERATION APPROACHES AND NON-STATE ACTORS

Abstract

Why do the states participate in regional cooperation? To answer the question, a number of approaches have been evolved in the literature of regionalism studies: state centric, market driven, functionalist, institutionalist, constructivist and governance approach. At first, it was argued that the states participate in the regional cooperation for their political and security gains. But later a market driven approach identified that security is not the only factor, rather the “comparative advantage” in the international market motivates the states to participate in the regional arrangements. On the other hand, the functionalist approach argues that when the states find cooperation in some areas helpful for them to perform better, they develop regional mechanisms. The institutionalists focus on the institutional autonomy which facilitates the states to be engaged in the regional frameworks without compromising their sovereignty. In addition to these rationalist approaches, the constructivists highlight social interactions, which promote regional cooperation. A latest development in the regional cooperation study is the governance approach, where in addition to the states, non-state actors (NSAs) are also considered as an important factor to motivate and pressure the states for developing common policies in the regional level. In this backdrop, this paper reviews the evolution and core features of the existing regional cooperation approaches in the regionalism studies literature. Moreover, the paper explains why and how the NSAs are emerging as an important factor in the processes of political mobilization, policy making and policy structuring of the regional arrangements.

Keywords: Region, Regionalism, Regional Cooperation Approaches, The State, Non-State Actors.

1. Introduction

The frequent use of ‘region’ in academic discourse is essentially a contested concept. Though the term is connected with geographical location, but even in geography, the term is disputed and difficult to define.¹ In the disciplines of International Relations (IR), Area Studies and International Political Economy

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¹ T. V. Paul, “Regional Transformation in International Relations”, in T. V. Paul (eds.), *International Relations Theory and Regional Transformation*, New York: Cambridge University Press, 2012, pp. 4-5.

(IPE), the term always faces difficulty in its definition and identification. The emergence of transnational issues and extensive rise of non-state actors (NSAs) in international politics push the countries to promote regional arrangements. Using regional identity, a framework of commonality helps countries to face security challenges and to cooperate in the development areas. Therefore, regional identity is not always developed based on geographical proximity; rather it is also promoted due to security and development compulsions. The emergence of transnational issues has reinvigorated a new compulsion to define a “region” to address rising security challenges. However, in the contemporary world, regional cooperation is a common phenomenon where almost all countries want to engage with each other in the regional arrangements to cooperate in the areas of security, development, climate change adaptation, etc. Regional cooperation helps to accelerate trade and investment, to resolve regional disputes and to face the transnational security challenges.

In the literature of regionalism studies, regional cooperation is understood from the perspective of different approaches: state centric, market driven, functionalist, institutionalist, constructivist and lastly, the governance approach. The state centric approach focusses on how national interest leads countries to forge a regional arrangement. The market driven approach highlights the process of integration among the markets to help the countries for availing comparative advantage and it pushes the countries to increase trade and investment in a particular region. Market actors enforce the states to promote regional cooperation. The functionalist approach, which is mainly referred to in the context of European integration, highlights that the cooperation only works when it focusses on specific activities that would be performed more effectively through collective action than by the individual states. Functionalism and neo-functionalism have a pre-eminence in understanding regional cooperation. The institutionalist approach emphasizes on the norms, conventions and existing values. The institutionalists argue that a set of norms, rules and ‘standard operating procedures’ persuade the countries to promote regional arrangements and to create international regimes. The governance approach is the latest development in the regional cooperation understanding. The approach is mainly developed on the idea of multilevel governance where the state and the NSAs work together in different levels, e.g., national and regional, to promote regional cooperation. In this respect, regional governance can be defined as a network of multilevel governance with the participation of the states and the NSAs of a particular geographical region.

In this backdrop, the present paper makes a review of the existing approaches of regional cooperation in reference to the relevance of the NSAs. The paper is divided into four sections including introduction and conclusion. Section two tries to define

the term “region” and how the identity of a region develops in practical purposes. Section three explains the evolution and core features of different approaches of regional cooperation and at the end, the section highlights why and how the NSAs are emerging as an important factor in the policy making and policy formulation processes within regional frameworks. Conclusion summarizes the paper.

2. Defining a Region

The word “region” is derived from the Latin word “*regio*”, which indicates a commonly defined territorial unit. Nye emphasizes two features to define a region; it is a group of the states linked together by both “a geographical relationship” and “a degree of mutual interdependence”.² Holsti defines region as a unit of “zones” of a group of the states or territories those display similar pattern of behaviours.³ Such units should be smaller than the international system and larger than nation states and it may be institutionalized or not. Another approach is also used for defining a region in respect of community understanding, that is “Imagined (Security) Community”⁴. It is an understanding of commonality in respect of identity, experience, custom and practice. The discussion of region has, as Celia pointed out, “Little certainty and less consensus about such fundamental issues as to what we mean by region”⁵. However, a region has a “multilevel and multi-purpose definition, one that moves beyond geography and beyond states”⁶. Region is also defined where the states and the NSAs work together to cooperate with each other and the convergence of interests of all the actors come together. In such a scenario, the rules and procedures in accordance with the expectations of all the groups develop together.⁷ It is a geographical reality of a cluster of nation states coming together with a common identity.

In the age of globalization, geographical proximity motivates the countries to work together in some particular areas of security and development, which leads them towards a common regional identity. In some cases, it seems the countries are developing a supranational framework, but it does not undermine the national identity. It forges a cohesion among the countries that ensures their national interest and makes

² Joseph S. Nye, “Introduction”, in Joseph S. Nye (ed.), *International Regionalism: Readings*, Boston, MA: Little Brown and Company, 1968, p. vii.

³ Kalevi J. Holsti, *The State, War and the State of War*, Cambridge, UK: Cambridge University Press, 1996, p. 147.

⁴ Emanuel Adler, “Imagined (Security) Communities: Cognitive Regions in International Relations”, *Millennium: Journal of International Studies*, Vol. 26, No. 2, 1997, pp. 249-277.

⁵ Celia Applegate, “A Europe of Regions: Reflections on the Historiography of Sub-national Places in Modern Times”, *The American Historical Review*, Vol. 104, Issue. 4, 1999, p. 1158.

⁶ Louise Fawcett, “Exploring Regional Domain: A Comparative History of Regionalism”, *International Affairs*, Vol. 80, No. 3, 2004, pp. 429-446.

⁷ Stephen D. Krasner, “Structural Causes and Regime Consequences: Regimes as Intervening Variables”, in Stephen D. Krasner (ed.), *International Regime*, New York: Cornell University, 1983, p. 2.

them more secured with a regional security framework. This kind of region may be a larger community like “Asia-Pacific region” or a continental identity like “European Region”. In this respect, when actors try to promote ‘regionness’ by promoting the idea of community through awareness, it is known as “soft regionalism” and when the state actors come together with a formal institutional structure that is known as “hard regionalism”.⁸ Hettne and Söderbaum⁹ identify five degrees of regionness: First, region is a geographical unit. Second, it is a social system of trans-local and transnational relations among the actors and agents. Such relations are based on a security complex where actors are dependent on each other. Third, it is an organized structure among the countries for their cooperation in economic, political, social and military fields. Fourth, it can be based on a civil society network by facilitating and promoting social communication and network building. Fifth, it can be a collective and international actor in their own right with a distinct identity, actor capabilities and a certain degree of legitimacy and decision making structure. Identifying it as a ‘special extension’, Roth,¹⁰ distinguished the term from four levels: (i) *The Micro Region*: it is a small kind of region between that of the community (i.e., city, town or village) and that of the district. It defines the actual area of every person where everyone has the interaction in their day to day life. (ii) *The Meso Region*: it refers to medium size territory. It is a larger area than community, town, city and smaller area than a nation state. In the context of South Asia, it is like South India, North East India or North Bengal. (iii) *The Macro State*: the term “region” is used to identify the areas larger than a nation state and smaller than a continent. Like the “Western Europe”, “the Eastern Europe”, “South Asia” and “Southern Asia”, etc. (iv) *The Global Level Region*: it is certainly a confusing definition of region, it deals with any part of a continent in respect of its location. In political discourse, it is common to speak of “the Black Sea Region”, “the Mediterranean Region”, “the Gulf Region” and even “the Atlantic Region”. Such kinds of categorization mean that the region is always a relative term and the given definition of region belongs to several regions at the same time.

In the present world, “region” in any way is not limited with geographical location, it is now defined, “to incorporate commonality, interaction and hence the possibility of cooperation”.¹¹ However, the development of the ideas of regionalism,

⁸ Louise Fawcett, “Regionalism from an Historical Perspective”, in Mary Farrell, Björn Hettne and Luk Van Langenhove (eds.), *Global Politics of Regionalism: Theory and Practice*, London: Pluto Press, 2005, pp. 21-37.

⁹ Björn Hettne and Fredrik Söderbaum, “Theorising the Rise of Regionness”, *New Political Economy*, Vol. 5, Issue. 3, 2000, pp. 457-472.

¹⁰ Klaus Roth, “What’s a Region? Southeast European Regions: Between Globalization, EU-Integration and Marginalization”, in Klaus Roth and Ulf Brunnbauer (eds.), *Region, Regional Identity and Regionalism in Southeastern Europe*, Berlin: LIT VerlagFresnostr, 2007, pp. 17-44.

¹¹ Louise Fawcett, “Regionalism from an Historical Perspective”, op. cit., p. 24.

regionalization and regional governance and the evolving process of the regional integration theories give different perspectives of a region.¹² Nowadays, the state centric regionalism, the market oriented regionalization and the idea of multilevel governance reinvigorate a multidimensional understanding of a region.

3. Regional Cooperation Approaches

In the contemporary literature, regional cooperation is understood from different approaches: state centric, market or firm driven, functionalist, institutionalist, social constructivist and governance oriented.

3.1 State Centric Approach

State centric approach is based on the idea that security maximization of the state is the only factor which promotes regional cooperation. The approach posits that regional cooperation is developed for certain interests of the state: first, for countering hegemonic power, for instance, the military alliances during the Cold War were developed to counter the hegemonic power from the opposite alliance. The main concerns of such kinds of cooperation was security and to counter threats from the rivals. The establishment of the North Atlantic Treaty Organization (NATO) in 1949 and the Warsaw Pact of 1955 are the examples of regionalism for security purposes. The NATO was established by the pro-capitalist countries under the leadership of the United States of America (USA). The objective of the alliance was to counter the expansion of communism in Western Europe. On the opposite side, the Warsaw Pact was established under the leadership of the former Soviet Union to counter the expansion of capitalism in Eastern Europe. Many countries joined in these alliances to enhance their defence capability and military security. Second, to restrict the free exercise of the hegemonic power, for instance, the Association of the Southeast Asian Nations (ASEAN) was established in 1967 to counter the influence of China in the region.¹³ Third, bandwagoning against the hegemon, for example, the West and East Germany both developed their relations with the two opposite fronts to ensure their security and development and for countering hegemonic influence. The countries of the Non-Aligned Movement

¹² The term regionalization is sometimes confused or used interchangeably with regionalism. If regionalism is a policy or project, regionalization is first and foremost a process. Some scholars think that like globalization, it may take place as the result of spontaneous or autonomous forces. At its most basic it means no more than a concentration of activity – of trade, peoples, ideas, even conflict – at a regional level. This interaction may give rise to the formation of regions and in turn to the emergence of regional actors, networks and organizations. It may thus both precede and flow from regionalism. Such regionalization has yielded trade alliances, blocs and formal institutions. The environmental issues are also creating the process of regionalization in different regions.

¹³ Julie Ginsberg, “Background: ASEAN: The Association of Southeast Asian Nations”, *The New York Times*, 26 February 2009.

(NAM) were not interested to be part of any power blocs and tried to prove themselves as neutral to protect their secured position at the international level.

State centric processes of regionalism are also divided in two ways: “security regionalism” and “political regionalism”.¹⁴ The period from 1945 to 1965 can be identified as “security regionalism” and 1965 to 1985 can be defined as “political regionalism”. The security regionalism includes North Atlantic Treaty Organization (NATO), the Warsaw Pact, the Southeast Asia Treaty Organization (SEATO) and the Central Treaty Organization (CENTO). Political regionalism includes the promotion of political cooperation in ASEAN, the Caribbean Community (CARICOM), Organisation of Islamic Conference (OIC)¹⁵, the Arab Maghreb Union (AMU) and South Asian Association for Regional Cooperation (SAARC). In both cases, states were the dominant factor for regional cooperation. It needs to remark that the concept of regional cooperation mainly originated from the European integration process. European integration is prominently understood by the functionalist approach of regional cooperation. The first initiatives of the European integration were mostly developed by the state initiatives and in the 1970s a desire of political integration also led them towards cooperation.

The state centric approach is based on the role of the state actors at the international level and the security concerns lead the countries towards greater cooperation. Hence, regionalism has developed as an important phenomenon to face security concerns. The process is also termed as *Old Regionalism*. Later, a new process of regional integration has been evolved, known as the market or firm-driven regional cooperation. The process is developed basing on the cooperation in trade and economic affairs. It is a phenomenon of the post-Cold war era, particularly after the 1990s. The process is sometimes termed as “regionalization” and also known as *New Regionalism*.

3.2 Market Driven Approach

Market driven approach is based on the idea that “comparative advantage”¹⁶ in international trade leads the countries for greater cooperation. This approach originated from the classical economics of David Ricardo (1770-1823) and the ideas of “Manchester Liberals”, like Richard Cobden (1770-1823) and John Bright

¹⁴ Andrew Hurrell, “Regionalism in Theoretical Perspective”, in Louise Fawcett and Andrew Hurrell (eds.), *Regionalism in World Politics: Regional Organization and International Order*, Oxford: Oxford University Press, 1995, p. 47.

¹⁵ The organization has changed its name to the Organisation of Islamic Cooperation (OIC).

¹⁶ The benefit or advantage of an economy to be able to produce a commodity at a lesser opportunity cost than other entities is referred to as comparative advantage in international trade theory.

(1811-89).¹⁷ It also emphasizes that the state actors became more aware of the maximization of economic cooperation and the development of economic activities increased market dominance in the international order.¹⁸ The motivation for the states to form regional cooperation is to avoid negative “national policy externalities” from interdependence, to facilitate intra-regional trade linkages while at the same time reducing costs of operating within international rules and the procurement of public goods.¹⁹ Busch and Milner argue that market driven regionalization developed on three conditions: (i) where firms are export dependent, (ii) where strong multi-nationality of firms exists and (iii) where the possibility of intra-industry trade exists.²⁰ Within this process, regionalization of the issues leads to a process of market oriented cooperation in the regional levels. The phase of market oriented regional cooperation created “The New Wave of Regionalism” at the international levels.²¹

But why has the market dominant regionalism been expanded in such a way? Schirm describes it as an impact of globalization on domestic politics. The extended transnational mobilization of goods and products created an opportunity for the market actors to integrate themselves within the region.²² At the domestic level, the nation states were not able to contain the external products and at the international level, the dominant countries were coming with huge investments and products. The regional players were more concerned to make a balance between the domestic pressure and the pressure of globalization, which led nation states towards regional cooperation.

The other way of explaining a market driven approach, also known as new regionalism, is the push and pull factor. The push factors are the debt crisis in the developing countries, democratization, a loss of competitiveness, while pull factors include demonstration effect of East Asian miracle, the Washington Consensus, end of the Cold War and fall of socialism, industrialization, integration into the world economy through regionalism, wave of Regional Trade Agreements (RTAs), Preferential Trade Agreements (PTAs) and shift to North-South Agreement.²³ These push and pull factors of the international economic order influence the states to develop a cooperation mechanism.

¹⁷ Andrew Heywood, *Global Politics*, Hampshire: Palgrave Macmillan, 2011, p. 62.

¹⁸ Edward D. Mansfield and Helen V. Milner, “The New Wave of Regionalism”, *International Organization*, Vol. 53, Issue. 3, pp. 589-627.

¹⁹ Fredrick Soderbaum, “Introduction: Theories of New Regionalism”, in Fredrick Soderbaum and Timothy M. Shaw (eds.), *Theories of New Regionalism*, Hampshire: Palgrave Macmillan, pp. 1-21.

²⁰ Marc L. Busch and Helen V. Milner, “The Future of International Trading System: International Firms, Regionalism and Domestic Politics”, in Richard Stubbs and Geoffrey R. D. Underhill (eds.), *Political Economy and Changing Global Order*, London: Macmillan, 1994, pp. 259-276.

²¹ Edward D. Mansfield and Helen V. Milner, op. cit.

²² Stephan A. Schirm, *Globalization and the New Regionalism*, Cambridge: Polity Press, 2012.

²³ Delwar Hossain, *Globalization and New Regionalism in South Asia: Issues and Dynamics*, Dhaka: A H Development Publishing House, 2010, p. 47.

The liberal intergovernmentalism in Europe is also sometimes referred to as a market driven approach. However, due to two different factors, this approach may not be included in the market driven understanding. Firstly, in liberal intergovernmentalism, though the process is influenced by the market, the state plays a pivotal role in regional cooperation. Secondly, the market actor is not the only factor for regional integration, rather pressure groups and transnational organizations also play an important role in the process of promoting regional cooperation. In the liberal intergovernmentalism, the domestic politics of the countries are important for leading towards regional cooperation. Liberal intergovernmentalism has been developed in European integration context by Andrew Moravcsik in the 1990s. The period from the mid-1960s through the 1980s was known as ‘the doldrums era’ both for European integration and scholarship. Europe was in a debate between neo-functionalism and intergovernmentalism. Moravcsik developed liberal intergovernmentalism as a three-step model: (1) a liberal theory of national preference, (2) an intergovernmental model of EU bargaining and (3) model of institutional choice emphasizing the role of international institutions in providing ‘credible commitment’ for member governments.²⁴ In this process, the domestic politics influences the government to identify the preferences of the nation, hence the governments participate in the bargaining process in Brussels with the EU institutions and at the end, they reach in a consensus basing on rational choice. Moravcsik argues that the 1957 Treaties of Rome and the 1992 Treaty of the European Union (EU) were developed in such a way. He concludes that liberal intergovernmentalism is more relevant to understand the European integration process.

3.3 *Functionalist Approach*

The third process of regional integration is the functionalist approach which contains two notable theories: functionalism and neo-functionalism. The functionalist theory is considered as the core of the European integration process. The development of functionalism and its success in Europe created a global awareness in the process of regionalism all over the world. The key idea of the functionalist theory was first developed by David Mitrany. In his book *A Working Peace System*, he highlights that cooperation only works when it is focussed on specific activities, which would be performed more effectively through collective action than by individual states.²⁵ Hence, it will lead the countries for the formulation of the institutional structure and that would promote cooperation in the regional levels. European integration is often referred to as the best example of a functionalist

²⁴ Andrew Moravcsik, *The Choice of Europe: Social Purpose and State Power from Messina to Maastricht*, New York: Cornell University Press, 1998, p. 473.

²⁵ David Mitrany, *A Working Peace System*, New York: Quadrangle Books, 1966.

approach. First, they have established some economic institutions and that lead them towards greater cooperation in the areas of political and economic issues. The functionalists have a high expectation that when the states will get the benefits of regionalism, they will automatically be convinced for forging regional integration. However, the main limitation of the functionalist approach is that it expects that the states would be keen to handover some power to the regional institutions within a political process. The proponents of the functionalist approach do not explain as to why the nation states would be interested to transfer some of its power to the regional organizations in the first place.

From such deficiencies, on the eve of the establishment of the European Economic Community (EEC) and Euratom, Ernst B. Haas, in his book *The Uniting Europe: Political, Social and Economic Forces, 1950-1957*²⁶, promoted a new framework for regional integration, known as “neo-functionalism”. Challenging the functionalist approach that the integration is largely the determination of the growing interdependence in the economic and political areas, the neo-functionalists argue that regional integration is a trend of transnational cooperation to create a dynamic process that leads to a greater political integration. This process of integration is known as ‘spillover effect’. It is a process through which the creation and deepening of integration in one economic area create pressure to further economic integration and potentially, for political integration. Basing on the neo-functionalism method of Haas, Webb developed the “community method”, where he argues that when the different communities come together to integrate that creates a ‘spillover effect’ on others for cooperation.²⁷ The Common Agriculture Policy (CAP) of the EU is referred as an example of a community method. However, George identified a second spillover process.²⁸ He argues that ‘political spillover’ creates pressure on the supranational actors like the European Commission and sub-national actors like interest groups to go for further cooperation. In this context, the formation of the Maastricht Treaty leads to a greater political commitment for cooperation in Europe. On the other hand, Karl Deutsch came up with another new idea which has some similarity with the functionalist process.²⁹ He developed a ‘security communities approach’ or ‘transactionalism’, where he distinguishes between the two models. On the one hand, in the *amalgamated communities*, different states are joining together around one regional centre. In these cases, a supranational entity will arise. Another

²⁶ Ernst B. Haas, *The Uniting of Europe: Political, Social and Economic Forces*, California: Stanford University Press, 1958.

²⁷ Carole Webb, “Introduction: Variations on a Theoretical Theme”, in Helen Wallace, William Wallace and Carole Webb (eds.), *Policy-making in the European Communities*, London: John Wiley, 1977.

²⁸ Stephen George, *Politics in the European Union*, Oxford: Oxford University Press, 1991, cited in Mark A. Pollack, “Theorising EU Policy-Making”, in Helen Wallace, William Wallace and Mark A. Pollack (eds.), *Policy Making in European Union*, (Fourth Edition), Oxford: Oxford University Press, 2005.

²⁹ Karl Wolfgang Deutsch, *The Analysis of International Relations*, New Jersey: Prentice-Hall, 1988.

more interesting approach for understanding regional integration is the *pluralistic communities*, where sovereign and independent units agree to put together some kind of decision making process and notably, enunciate the use of force to solve their disputes.³⁰ However, the limitation of the functionalist approach is that it is mostly Eurocentric.³¹ The spillover effect and the process has very little relevance in other regions of the world because of how it was discussed in the approach. It is sometimes described as a description of European experience rather than an approach for regional cooperation.

3.4 Institutional Approach

Institutionalist approach stresses that institutions are arenas or tools of the state for regional cooperation. Institutions do not act as a purposive actor, but as a “transition-cost-reducing” mechanism.³² Taking the idea of “social contract”³³ of Hobbes and Locke, the institutionalists argue that the objective of the formation of nation states is the promotion and implementation of ‘rule of law’. In the same way, they refer to institutionalism at the international level, as Woodrow Wilson put it the ‘jungle’ of international relations into a ‘zoo’.³⁴ Nevertheless, in the study of regional integration, the institutional approach pioneered by the students of American Politics. In the 1970s, the students of American Politics challenged the idea of ‘simple majority’ in the congressional affairs by saying that it can always form a coalition to overturn the existing legislation. In this context, Kenneth Shepsle proposes a process of ‘structure-induced equilibrium’ by giving veto power of various actors in the decision making process.³⁵ Referring to the American students, Fritz Scharf, proposed an institutional framework for the EU to reach in a unanimous decision-making and the ‘default’ condition in the events that the member states failed to agree on a common policy.³⁶ By the mid-1990s, George Tsebelis, Geoffrey Garrett

³⁰ Mukhtar Hajizada, “Challenges and Opportunities for Establishing a Security Community in the Wider Black Sea Area”, *Southeast European and Black Sea Studies*, Vol. 18, Issue. 4, 2018.

³¹ Christopher M. Dent, *East Asian Regionalism*, New York: Routledge, 2016, p. 11.

³² Etel Solingen, “The Genesis, Design, Effects of Regional Institutions: Lessons from East Asia and the Middle East”, *International Studies Quarterly*, Vol. 52, No. 2, 2008, p. 263.

³³ The main argument of Social Contract Theory is that it is an actual or hypothetical compact or agreement, between the ruled and their rulers, defining the rights and duties of each. In primeval times, according to the theory, individuals were born into an anarchic state of nature, which was happy or unhappy according to the particular version. They then, by exercising natural reason, formed a society (and a government) by means of a contract among themselves.

³⁴ Robert Jackson and Georg Sorensen, *Introduction to International Relations: Theories and Approaches* (Third Edition), Oxford: Oxford University Press, 2007, p. 108.

³⁵ Kenneth A. Shepsle, “Institutional Arrangements and Equilibrium in Multidimensional Voting Models”, *American Journal of Political Science*, Vol. 23, No. 1, 1979, pp. 27-59 and Kenneth A. Shepsle, “Institutional Equilibrium and Equilibrium Institutions”, in Herbert F. Weisberg (ed.), *Political Science: The Science of Politics*, New York: Agathon, 1986, pp. 51-82.

³⁶ Fritz W. Scharpf, “The Joint-Decision Trap: Lessons from German Federalism and European Integration”,

and many others sought to model the selection—and in particular the functioning—of the EU institutions, including the adoption, execution and adjudication of the EU public policies in terms of ‘rational choice’.³⁷ Contrasting with rational choice, the sociological institutionalism approaches in international relations defined institutionalism in a broader way to include informal norms and conventions as well as informal values. Historical institutionalists took up a position between these two camps, focusing on the effects of institutions over time. Paul Pierson represents a sophisticated argument that political institutions are characterized by what economists call ‘increasing returns’,³⁸ insofar they create incentives for actors to stick with and abandon existing institutions. However, the institutionalists believe that strained relations between nations are the result of inadequate institutions and can be corrected by removing these institutional inadequacies. In this way, they embrace what has been called ‘new’ institutionalism, which defines institutions not so much as established and formal bodies, but more broadly, as sets of norms, rules and ‘standard operating procedures’ that are internalized by those who work within them. This explains the stress within neo-liberal theory on the role of international regimes and in the regional context that leads towards regional institutions.

The idea of neo-liberal institutionalism is also based on the principles of the institutionalist approach. For example, Keohane and Nye characterized international political economy as *Complex Interdependence*.³⁹ They argue that cooperation in international relations would be based on new rules in respect of their interdependency to each other and international cooperation. In Keohane’s view, international regimes are a reaction to so called ‘political market failures’⁴⁰, which are as institutional deficiencies inhibit mutually advantageous cooperation. Keohane and Nye situated them in an intermediate place between realism and liberalism.⁴¹ They argued, “Our analysis linked realist and neo-realist analysis to concerns of liberals with interdependence. Rather than viewing realist theory as an alternative to liberal interdependence theory, we regarded the two as necessary components to each other.”⁴² The interdependency has a thin line between *nationness* and *regionness*, which leads to grow international institutions. The

Public Administration, Vol. 66, No. 4, 1988, pp. 239-278.

³⁷ George Tsebelis and Geoffrey Garrett, “The Institutional Foundations of Intergovernmentalism and Supranationalism in the European Union”, *International Organization*, Vol. 55, Issue. 2, 2001, pp. 357-390.

³⁸ Paul Pierson, “Increasing Returns, Path Dependence, and the Study of Politics”, *American Political Science Review*, Vol. 94, No. 2, 2000, pp. 251-267.

³⁹ Robert O. Keohane and Joseph S. Nye, Jr., *Power and Interdependence: World Politics in Transition*, Boston: Little-Brown, 1977.

⁴⁰ Robert O. Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy*, Princeton: Princeton University Press, 1984, p. 85.

⁴¹ Robert O. Keohane and Joseph S. Nye, Jr., “Power and Interdependence Revisited”, *International Organization*, Vol. 41, No. 4, 1987, pp. 725-753.

⁴² *Ibid.*

institutions are a combination of domestic and international aspirations of the countries.

3.5 *Constructivist Approach*

The above approaches are known as rationalist approaches which regard sovereign states as principal actors. States behave rationally and rational calculations influence their policies in international politics. The constructivists think that although materialistic world exists, but it has a meaning. This meaning is socially constructed which is developed by social interactions. Social interactions promote a collective meaning and the actors behave with others to achieve collective goals. In constructivist logic, identity refers to “mutually constructed and evolving image of the self and others.”⁴³ However, the constructivist theory originates from the concept of “structuration” of sociology. Anthony Giddens proposed the concept of structuration as a way of analysis of the relationship between structures and actors.⁴⁴ In international relations, constructivism was introduced by Nicholas Onuf.⁴⁵ Later the influential writings of Alexander Wendt clarified the theory with empirical references. The rationalist argues that states are created; states know what their interests are. But Wendt thinks that it is the interaction among states “create and initiate one structure of identities and interests rather than another; structure has no existence or causal power apart from process”⁴⁶.

Where the rationalists neglect human element in the process of decision making, constructivists take the position that the interests of states are actually formed through the process of social interaction they participate in and are continually shaped as they continue to interact with other states in the international system.⁴⁷ Constructivists think that the ideational structure also influences the behaviour of actors. They counter the rationalist approaches that privilege systematic structures established from material bases, such as that of military or economic power. Even structures of organization within the international system that are based on material factors could only acquire their meaning for action by actors through structures

⁴³ Ronald L. Jepperson, Alexander Wendt and Peter J. Katzenstein, “Norms, Identity, and Culture in National Security”, in Peter Katzenstein (ed.), *The Culture of National Security: Norms and Identity in World Politics*, New York: Columbia University Press, 1996, p. 59.

⁴⁴ Anthony Giddens, *The Constitution of Society: Outline of the Theory of Structuration*, Columbia: Columbia University, 1986.

⁴⁵ Nicholas Greenwood Onuf, *World of Our Making: Rules and Rule in Social Theory and International Relations*, California: University of South Carolina Press, 1989.

⁴⁶ Alexander Wendt, “Anarchy is What States Make of it: The Social Construction of Power Politics”, *International Organization*, Vol. 46, No. 2, 1992, pp. 391-425.

⁴⁷ John Gerard Ruggie, *Constructing the World Polity: Essays on International Institutionalization*, London: Routledge, 1998, p. 33.

of knowledge. Constructivists contend that since identity informs the interests of actors, which are then translated into action, the non-material structures which shape identity as matters fully deserving of careful analyses. Constructivists focus that when it comes to the question of ‘agency and structure’ relate to one another, both are ‘mutually constituted’. Agency refers to individual actors and structure refers to the social forms of organization that influence the attitude of the actors. Such process of identification occurs through cooperation and generates collective identity.⁴⁸ It is the way the state actors act in the regional structure to formulate cooperation and integration.

3.5 Governance Approach

The aforesaid approaches to regional integration, either rationalist or constructivist, the state remains the main factor formulating the agendas at the international or the regional levels. However, a new approach has been developed in this respect, known as ‘governance approach’, which promotes a new idea that neither ‘international system’ nor ‘domestic politics’ can address the emerging problems at the regional and global levels, but a new and emerging system of “governance without government” can address the problems of transnational character. The approach was firstly developed in the European Commission (EC) under its former president Jacques Delors.⁴⁹ He promoted an idea to link the sub-national and NSAs in the policy formulation and decision making process of the European Community. His thesis was that national institutions and powers would weaken under the growing power of the ‘European state’ and those regions and cities would take their place with direct access to the European policy making process. For others, it meant a transformation in the nature of the European polity, away from a Europe of state to a Europe where regions would constitute a “third level” capable of making a serious contribution to supranational decision making.⁵⁰ Marks, for example, offered a more restrained account of the emergence of a system of multilevel governance. He defined it as a system of continuous negotiation among nested governments at several territorial tiers—supranational, national, regional and local. It is a result of the broad process of institutional creation and decisional re-allocation that has pulled some previously centralized functions of the state up to the supranational level and some down to the local and regional level.⁵¹

⁴⁸ Alexander Wendt, *Social Theory of International Politics*, Cambridge: Cambridge University Press, 1999, pp. 318-343.

⁴⁹ George Ross, *Jacques Delors and European Integration*, Oxford: Polity, 1995.

⁵⁰ Udo Bullmann, “The Politics of the Third Level”, *Regional and Federal Studies*, Issue. 6, No. 2, 1996, pp. 3-19.

⁵¹ Gary Marks, “Structural Policy and Multi-level Governance in the EC”, in Alan W. Cafruny and Glenda G. Rosenthal (eds.), *The State of the European Community, Volume 2: The Maastricht Debates and Beyond*, Boulder: Lynne Rienner, pp. 391-410.

Since 1980s, the use of the term ‘governance’ has been employed to understand policy making in the national, regional and global levels. Krahmman analyzed *the Social Science Citation Index* between 1980 and 2000 and found that the academic literature applied the concept to more than twenty distinct subject areas.⁵² The Index includes the analysis of administrative structure, colonial rule, democratic decision making, international development, the administration of colleges and universities, environmental protection, multilevel decision making within the EU, the regulation of markets, sectoral self-government, the devolution of political authority to the local and regional levels and the transnational regimes. Broadly, in the national and sub-national levels, the term was used as synonymous to a political system or state structure, concerns of the reform of public administration, the governance to the particular policy sectors as education, wealth and transport and the analysis of corporate governance. At the regional level, the term used to mention the complex decision making and implementation process of the EU in the mid-1990s. Hix defined the governance process of the EU, “First, the process of governing is no longer conducted exclusively by the state, but involves all those activities of social, political and administrative actors that ...guide, steer, control or manage society.” Second, the relationship between the state and the NSAs in the process is “policy centric and non-hierarchical” and “mutually dependent”. Third, the key governance function is the regulation of the social and political risks instead of redistribution.⁵³ At the global level, the term started to be used in the early 1990s. The term global governance indicates the presence of the NSAs in different negotiation processes of the global problems like environmental pollutions, transnational crime, terrorism, infectious diseases and migration, which can be resolved only by international cooperation. The formation of the commission of the global governance in 1992 and publication of its famous report *Our Global Neighbourhood* in 1995 have sealed this new vision of governance of international politics.

However, governance in the regional level vis-à-vis the concept of regional governance found a theoretical framework by the articles of Gray Marks, “Structural Policy in the European Community”⁵⁴ and “Structural Policy and the Multilevel Governance in the EC.”⁵⁵ Marks article on “An Actor Centered Approach to

⁵² Elke Krahmman, “National, Regional and Global Governance: One Phenomenon or Many?”, *Global Governance*, Vol. 9, No. 3, 2003, pp. 323-346.

⁵³ Simon Hix, “The Study of the European Union II: The ‘New Governance’ Agenda and Its Rivals”, *Journal of European Public Policy*, Vol. 5, No. 1, 1998, p. 48.

⁵⁴ Gary Marks, “Structural Policy in the European Community”, in Albert M. Sbragia (ed.), *Europolitics, Institutions and Policymaking in the New European Community*, Washington DC: Brookings Institution, 1992.

⁵⁵ Gary Marks, “Structural Policy and Multilevel Governance in the EC”, in A. W. Cafruny and G. G. Rosenthal (eds.), *The State of the European Community*, Boulder: Lynne Rienner, 1993.

Multilevel Governance” framed the multilevel governance framework of the EU.⁵⁶ Marks and Hooghe argued that the grand theories of European integration, such as intergovernmentalism and neo-functionalism, were focused on the interaction between the state and supranational levels and overlooked the progressive empowerment of the sub-state levels.⁵⁷ In other words, the policy formulation of the EU defused to multilevel actors by the state monopoly. The local bodies and the NSAs have acquired the opportunity to negotiate in the supranational level and it framed multilevel, multi-actors and multi-centre oriented governance. Krahmman identified six features of EU regional governance: (1) policy making and implementation, (2) distinct policy sectors such as external relations, internal market and the environment, (3) quasi-autonomous agencies like the European Court of Justice and European Central Bank, (4) the non-hierarchical relations among the diverse actors, (5) neo-liberal institutions of EU and (6) market principles of the EU.⁵⁸

On the other hand, many scholars like Clarke argue that multilevel governance process is emerging in response to gaps between the national governments’ and the international governments’ ability to control global and transnational process which otherwise difficult to control by the state.⁵⁹ In this respect, the idea of ‘global governance’ of transnational issues is getting more importance. Particularly, the establishment of the organizations and regimes like Intergovernmental Panel on Climate Change (IPCC) and the formation of the United Nations Framework Convention on Climate Change (UNFCCC), where the NSAs, epistemic communities, Civil Society Organizations (CSOs), Non-governmental Organizations (NGOs) are increasing pressure and contributing in the policy formulation and implementation process. It has developed a new way of governance and regulatory framework where the state actors need strong participation from the NSAs. The emergence and necessity of global governance pioneered by James N. Rosenau.⁶⁰ He argues that the changing patterns of global order are related with the changing patterns of global life. The development of “new political skills and horizons” is forcing the world towards a composed “state centric” and “multi-centric” realm. Subsequently, he added that the phenomena imply a proliferation in many simultaneous directions: subnational,

⁵⁶ Gary Marks, “An Actor-Centered Approach to Multi-level Governance”, *Journal of Regional and Federal Studies*, Vol. 6, Issue. 2, 1996.

⁵⁷ Gary Marks, Liesbet Hooghe and Kermit Blank, “European Integration from the 1980s: State-Centric V. Multi-level Governance”, *Journal of Common Market Studies*, Vol. 34, No. 3, 1996, pp. 341-378.

⁵⁸ Elke Krahmman, “Conceptualizing Security Governance”, *Cooperation and Conflict: Journal of the Nordic International Studies Association*, Vol. 38, Issue. 1, 2003, pp. 5-26.

⁵⁹ Susan E. Clarke, “Regional and Transnational Regimes: Multi-level Governance Process in North America”, cited in John N. McDougall, *Drifting Together: The Political Economy of Canada-US Integration*, Toronto: Broadview Press, 2006, p. 228.

⁶⁰ James N. Rosenau, “Governance, Order and Change in World Politics”, in James N. Rosenau and Ernst-Otto Czempiel (eds.), *Governance without Government: Order and Change in World Politics*, Cambridge: Cambridge University Press, pp. 1-29.

transnational, international and global. In this respect, Keohane and Nye's definition of governance is relevant:

“the processes and institutions, both formal and informal, that guide and restrain the collective activities of a group. (...) Governance need not necessarily be conducted exclusively by governments and the international organizations to which they delegate authority. Private firms, associations of firms, NGOs and associations of NGOs all engage in it, often in association with governmental bodies, to create governance; sometimes without governmental authority.”⁶¹

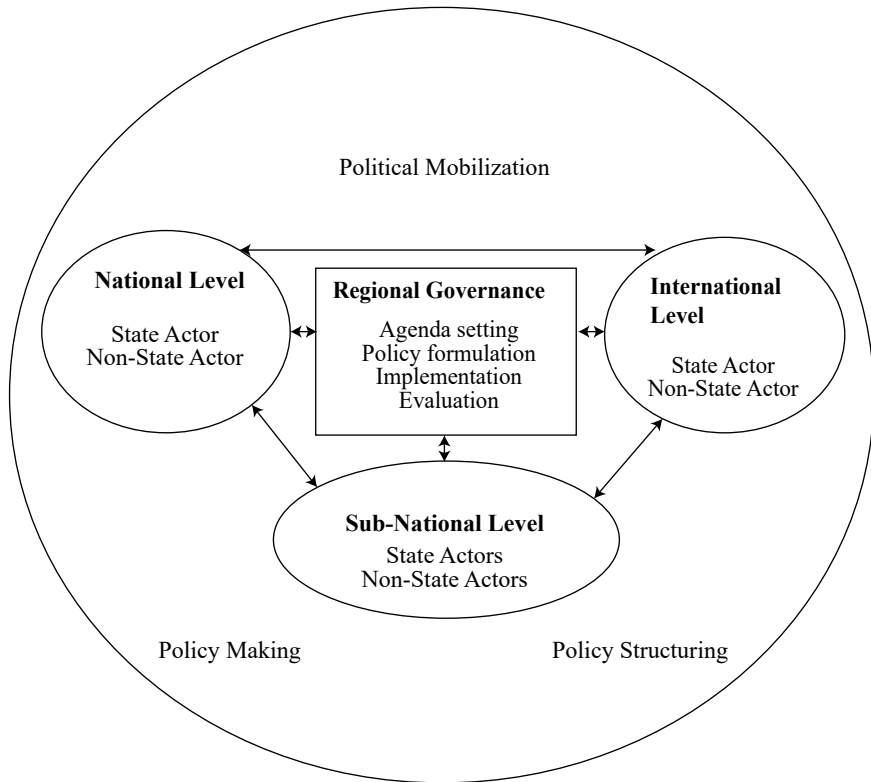
It is not a coincidence that in the regional and global levels, a new decision making process has emerged engaging the NSAs. But, in global governance, the role of NSAs is not yet formalized and effective as it is in the European regional level governance. In this respect, Marzedda-Mlynarska summarized that multi-level governance in the EU is based on three assumptions: Firstly, it is actor centred theory. In addition to the state actors, the NSAs are also a relevant element for such governance. Secondly, it connects different levels of governance which could be understood as territorial levels (supranational, national and sub-national) and jurisdiction levels, identified with regard to certain functions. Thirdly, it combines in one theory of political mobilization of policy making and of polity structuring.⁶²

In a multilevel framework, the state actors and the NSAs like CSOs, NGOs, International Non-governmental Organizations (INGOs), Inter-governmental Organizations (IGOs) and epistemic communities are stakeholders in the governance process. But, the authority of the actors is dependent on the levels of governance. In the geographical level, sub-national, national, regional and global levels are the defined units for both of the state and the NSAs. In the respective geographical level, where the actors try to uphold their arguments they can place. At the same time, in the jurisdictional level, the power of jurisdiction also depends on the authority. In a democratic process, the state holds most of the regulatory powers. But, the state has to consider the arguments of the NSAs acting in its domain. However, in the multilevel governance, the political periphery is important. Political mobilization within the institutional boundaries affects the actors and leads them to act for formulating policy within its geographical and jurisdictional levels. Hence, a polity for governance has emerged and reshaped within the geographical and jurisdictional boundary. The polity is linked with all categories of actors to ensure a furnished governance network.

⁶¹ Robert O. Keohane, *Power and Governance in a Partially Globalized World*, London: Routledge, 2002, p. 202.

⁶² Katarzyna Marzedda-Mlynarska, “The Application of the Multi-Level Governance Model outside the EU context– The Case of Food Security”, European Diversity and Autonomy Papers EDAP 01/2011, available at http://aei.pitt.edu/32033/1/2011_edap01.pdf, accessed on 25 January 2020.

Figure: Regional Governance Network



Source: Prepared by the author.

The figure articulates that regional governance is a framework which engages international, national and sub-national levels to formulate a policy. In all levels, the states and the NSAs are active in the process of agenda-setting, policy formulation, implementation and evaluation. However, the jurisdictional power in the respective domain of an actor depends on its power, strategy and capacity to influence the different networks.

In this respect, regional governance can be defined as a network of multilevel governance with the participation of the state and the NSAs of a particular geographical region. Phillips describes regional governance as “concerned with supra-nationalism and the attractive notion of multi-level governance”.⁶³ Hooghe and Marks describe it as “a policy of creating process in which authority and policy making influence are shared across multiple levels of government – sub-national,

⁶³ Nicola Phillips, “Governance after Financial Crisis: South American Perspective on the Reformation of Regionalism”, *New Political Economy*, Vol. 5, Issue. 3, 2000, p. 385.

national and supranational”.⁶⁴ Jayasuriya suggests it as “a system of multi-level governance that connects international organisations...with regional entities...and various national agencies or even sub-national and local entities”.⁶⁵ Yoshimatsu defines regional governance as “a set of processes that manage common regional affairs and draw cooperative through formal institutions and informal mechanism created at the regional levels”.⁶⁶ By summing up, regional governance is a set of institutional and regulatory mechanisms followed by a certain region to deal the problems of a particular region, where the state and the NSAs can work together for furthering cooperation and development within certain regulating frameworks.

Nevertheless, the increasing role of the NSAs in the global governance and EU multi-level governance at present are not limited only in the global and EU domain. The idea has expanded all over the regions of the world. But the role and contribution of the NSAs are not similar in all the regions of the world. The emergence of transnational issues is creating a compulsion for promoting regional governance in different regions. The establishment of the Tripartite Environmental Ministers Meeting (TEMM) by China, Japan and Korea is an example of regional governance where the NSAs are getting importance for promoting regional governance. In the development of TEMM framework, three governments have established working level institutions such as director general meetings, expert meetings and policy seminars. The NSAs have been involved in discussions and policy developments in specific policy issues. The NGOs like East Asia Environmental Information Express Messenger (EAEIEM), Study Group for a Sustainable Society (SGSS), Korean Federation for Environmental Movement (KFEM) and Korea Zero Waste Movement Networks (KZWMN) organized trans-boundary activities on the E-waste problem in East Asia. The organizations are developing networks with the state actors as well as the NSAs in Southeast Asia and they are increasing their voice in the policy making levels. In contemporary times, the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) is also engaging the NSAs in the negotiation process. In this respect, the idea of regional governance is attracting all other regions to resolve the emerging security and development challenges.

The governance approach is the latest evolution among the approaches to understand regional cooperation. The NSAs are an important ingredient to analyze governance approach. In addition to the state actors, the NSAs are considered influential stakeholders in contemporary regional cooperation. The state actors

⁶⁴ Liesbet Hooghe and Gray Marks, *Multi-Level Governance and European Integration*, UK: Rowman and Littlefield Publishers, 2001, p. 2.

⁶⁵ Kanishka Jayasuria, *Asian Regional Governance: Crisis and Change*, London: Routledge, 2008, pp. 7-8.

⁶⁶ Hidetaka Yoshimatsu, “Japan and Regional Governance in East Asia: Expanding Involvement, Stagnated Influence”, in Nicholas Thomas (ed.), *Governance and Regionalism in Asia*, London: Routledge, 2009.

adopt policies by consulting and negotiating with the NSAs. Moreover, the NSAs are also very much active to create more pressure on the state actors in the process of formulating national, regional and international policies.

4. Conclusion

Defining a region is always a contested issue in the study of regional cooperation. The geographical contiguity is not the only factor to understand a region, rather security and market issues also dominate the definition of a region. The approaches to regional cooperation help to understand the factors which influence a regional identity. The state centric approach considers the state as the main dominating force to develop regional cooperation. Due to their interests, the states formulate regional institutions to enhance their cooperation. The market driven approach focusses on the comparative advantage of trade and investment and how they influence the states to forge regional cooperation. The functionalist approaches have developed in the context of European experience where it is argued that collective actions of the state actors create spillover effect to promote regional cooperation. The institutionalists argue that the domestic preference pushes the countries to form regional institutions and the countries of a particular region engage in the regional organizations to exploit the benefits of cooperation, which is based on certain norms, values and expectations.

The aforementioned approaches are known as rationalist approaches where sovereign states are considered as principal actors in the formation of regional cooperation. The main argument of the rationalist approaches is that states behave rationally and rational calculations influence their behaviour. The rationalist approaches are challenged by the constructivist approach. The constructivists opine that social interactions promote a collective meaning and the actors behave with others to achieve collective goals. The rationalists think that identities and interests influence state actors for cooperation and they neglect human behaviour as an element in the regional cooperation, but the constructivists argue that the interests of the states are actually formed through the processes of social interaction they participate in. They also focus on the question of “agency and structure” which are related to one another and both are mutually constituted.

However, rationalists and constructivists consider the state as the main force in the process of regional cooperation, but the dominating factors may be different. A latest one, the governance approach, emanates that the state is not the only force, rather the NSAs are also an important force in the formation of regional cooperation. The governance approach connects sub-national actors and the NSAs in the understanding of regional cooperation. The approach focusses on two types

of actors: the state actors and the NSAs. The actors in this approach work in two levels: geographical level and jurisdictional level. Both the actors try to influence the transnational issues mainly in three ways: political mobilization, policy making and policy structuring. In modern regional governance system, the role of NSAs is almost undisputable. In this respect, the governance approach is getting more relevance in the contemporary regional cooperation studies.