

Víctor M. González-Sánchez

Editor



Economy, Politics and Governance Challenges for the 21st Century

ECONOMIC ISSUES, PROBLEMS AND PERSPECTIVES

NOVA

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**ECONOMY, POLITICS AND
GOVERNANCE CHALLENGES FOR
THE 21ST CENTURY**

VÍCTOR M. GONZÁLEZ-SÁNCHEZ
EDITOR

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This publication is designed to provide accurate and authoritative information with regard to the subject matter covered herein. It is sold with the clear understanding that the Publisher is not engaged in rendering legal or any other professional services. If legal or any other expert assistance is required, the services of a competent person should be sought. FROM A DECLARATION OF PARTICIPANTS JOINTLY ADOPTED BY A COMMITTEE OF THE AMERICAN BAR ASSOCIATION AND A COMMITTEE OF PUBLISHERS.

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PREFACE

The main objective of this book is to analyze some of the major challenges of the world during the twenty-first century from a multidisciplinary perspective. Global problems do not always have a unique approach, and the study of these problems requires a research effort based on a rigorous and understandable methodology. From this idea, the works contained in each chapter demonstrate the existence of significant links between economics, politics and governance. This book is divided based on these three subjects. One part of the book contains a study of the global economic situation and its existing inequalities. From there, some challenges related to matters such as entrepreneurship and financial literacy will be addressed. On the other hand, political inequality and democratic shortcomings—along with the international geopolitical reality—are the common thread that ties together other chapters of the book. Both a national perspective and regional cross comparison are present within this book. Finally, different analyses related to governance complete the third block of this catalog. In this regard, the important influence that the economy and functioning policies have on the governance of states and decision making processes is noted.

Chapter 1 - The point of focus of this chapter is the growing importance of regions in international relations. The chapter adopts an institutional social constructivist approach, wherein international regions are considered the political constructs of states. After a discussion of both the advantages and the shortcomings of the complementary concepts of 'regional integration' and 'regional cooperation,' the chapter then argues that the concept of 'regional governance' is the most adequate term for capturing the variations in regionalism. Regional governance is a sufficiently broad and flexible concept that it can be satisfactorily used to grasp the variable interaction patterns between different regional organizations. Since most regions feature more than just one regional organization, these institutions will often overlap with regard to their mandates and/or membership – which can lead to either conflict or cooperation. With the objective in mind of systematizing the study of the interaction patterns between regional organizations, the chapter develops an analytical scheme and a taxonomy to differentiate between various types of regional governance – synergistic, cooperative, conflictive and segmented.

Chapter 2 - This chapter discusses the impact of globalization (and in particular of the growing importance of trans-national social relations) on the transformation of the spatial characteristic of statehood. It postulates that globalization does not only reduce the regulatory capacity of nation states, but also has created a permanent pressure towards the development of trans-national state functions in the sense of the establishment and the enforcement of rules

beyond the nation state. The starting point will be what has been most concisely called “the double character of the State” (exact in German “Verdopplung gesellschaftlicher Herrschaft”) in Marxist state theory. The separation of politics and economics within the bourgeois state creates the foundation for “abstract, generalized, public rule,” but also private property (including of the means of production) and the freedom of contract as basic rights and as the foundation of the “rule of capital.” On the global scale, neoliberal politics has rather successfully created and/or strengthened political institutions to secure these rights internationally. The basic question to be dealt with in the chapter will be whether approaches to create the equivalent of “abstract, generalized, public rule“ on the global level (international organizations, representatives of states and global civil society as the constituency of global norm-building and implementation) are progressing or whether global politics just work differently.

Chapter 3 - The main goal of this chapter is to analyze the level of economic convergence achieved by the world's economies during the period comprised between 1995 and 2014. The chapter begins with a brief overview of the concept of economic convergence. In order to measure convergence of the GDP per capita variable, the Pearson coefficient of variation is used as a relative, a dimensional measure of dispersion. Secondly, the empirical part begins with an analysis of economic convergence from a global point of view. Thirdly, an analysis of convergence is carried out by regions, differentiating countries according to their geographic location. The analysis concludes, fourthly, by evaluating convergence after grouping countries according to their income level.

Chapter 4 - The literature suggests the existence of an association between financial education and financial inclusion. At the same time, there seems to be a consensus on the importance of financial literacy and financial inclusion for financial stability and market efficiency, and both aspects have become key points in many public policies around the world. However, it's not possible to draw consistent conclusions as to how financial literacy affects the population's financial inclusion and about the effectiveness of some initiatives regarding financial education. The main objective of this chapter is to provide a brief review on current status of financial literacy and financial inclusion and secondly, to highlight the real challenge for the public sector: to design really efficient financial education programmes and to accompany these strategies for financial literacy with adequate financial consumer protection measures to stimulate financial inclusion.

Chapter 5 - At present entrepreneurship education is promoted for potentiating innovation and an upgrading of national economies although little is known about adequate approaches in university-based entrepreneurial education. In this chapter the authors provided some insights by focusing on the case of a Colombian University and the development of entrepreneurial qualities of their students through degree programs at three different schools. With the focus on two essential entrepreneurial qualities suggested by the psychological school, i.e., achievement and affiliation need orientation, the empirical data suggest that degree studies do not develop either of these entrepreneurial qualities. The authors find, however, that specific demographic variables influence the initial level of entrepreneurial qualities. Consequently, the establishment of university based entrepreneurship centers to provide education for entrepreneurship is needed although a best practice approach with respect to pedagogical approach and educational processes cannot be pursued even within Universities since students levels of entrepreneurial qualities differ from the very beginning.

Moreover, the haphazard development of entrepreneurial qualities in students can be improved by the use of “micro-insertions” in standard degree programs.

Chapter 6 - Under a global perspective the number of armed conflicts and wars has been declining during recent years. Some researchers even claim that there is a global trend of violence reduction. However, neither regional variations nor differences along manifestations of violence are addressed in these debates. Yet these variations are key to understand particularities of state-formation processes. The first section of this chapter describes how war, armed conflict and violence vary across different world regions. The second section shows some of the challenges for applying the European state-formation model in the global South. The third section analyses Latin America’s historical trajectory of state-formation and violence focussing on the major issues at stake and the related power relations. Here some countries succeeded in the establishment and maintenance of a state monopoly of violence while others did not. These variations can be explained to some extent by the patterns of conflict termination and external interventions. The concluding section compares these findings with evidence from other world regions and discusses some challenges for future research, most of all the necessity to include systematically the concepts of space and time in the analysis.

Chapter 7 - This chapter analyses the latest wave of clashes between power holders and highest courts in Latin America. The authors found that judicial independence is still highly contested within the region. Courts are exposed to different degrees of politicization. The cases where the authors found most interference with the democratic function of horizontal control attributed to courts are those where congresses use impeachment proceedings to render courts or individual judges accountable. In contrast, the judiciary is more likely to withstand the political interference if political actors promote judicial reforms aiming at an increased control of the judiciary or if deeper debates on the role of the judiciary in the political regime arise.

Chapter 8 - China’s 21st century relations with Cuba illuminate how evolving economic and political interactions are intertwined with core problems of governance. New modes of trade and investment with China are a key factor in the Cuban leadership’s changing vision of state, market, and civic interdependence. This chapter finds that Sino-Cuban interactions have become increasingly pragmatic, even as they remain committed to state coordination of industrial cooperation in electronics, transport, education, and other sectors. Defining a new balance of state and market forces is a central proposition of the Cuban government’s reform package, formalized in the Economic and Social Policy Guidelines, or *Lineamientos*. Cuban leaders acknowledge that China’s prior experience with reform provides insights, but they also face distinctive problems, including the need to draw citizens out of the entrenched black market by building trust in the formal sector economy. The expansion of Chinese wholesale supplies to Cuba may prove decisive in this regard, though as the chapter concludes, the growing prospect of Cuba-U.S. rapprochement may change the environment for Chinese activities on the island.

Chapter 9 - Scholars have long observed that some nationally democratic countries often play host to less than fully democratic subnational governments. There are now a growing number of studies on the variety of economic and political tools used by subnational leaders to perpetuate their hold on power. This chapter aims to explain one of the ways through which subnational authoritarian enclave leaders can affect national politics. Scholars have shown that democratically elected national presidents sometimes tolerate the presence of

subnational authoritarian enclaves because their leaders can be useful coalition partners, through their influence over regional delegations to national legislatures. Although scholars rightly conclude that subnational authoritarian enclave leaders are able to influence national congressional dynamics in this way, they have not yet demonstrated how these leaders accomplish this. Among other things, this chapter shows how subnational authoritarian enclave leaders control regional delegations through their control over national elections within their domains.

Chapter 10 - Chinese business association is especially criticized by its amphibious nature (semi-official organizations), that is, created by and functioned at the will of government. This chapter mainly focuses on the evaluation of institutional distance between the state and society through four aspects: Full-time Workers' Identity Ownership; Initial Funds Used to Establish Associations; Sharing a Roof with Government Agencies; and Statutory Duties. It calculates the institutional distance of every business association using the quantitative data to overcome the debate on if China really is corporatism on the relation of nation-society.

Chapter 11 - The main objective of this chapter is to present a methodology for wastewater projects analysis, whenever there are important opportunity costs for different uses (for instance, industrial or environmental), in the wastewater production process.

A theoretical foundation for the consideration of wastewater Opportunity cost/opportunity costs in prices can be found in the European Framework Directive. The European Framework Directive clearly indicates that Member States will be required to ensure that the price charged to reclaimed water consumers should reflect the true costs of wastewater production, and the Opportunity cost is certainly a cost in reclaimed water production. The wastewater Treatment Plant of El Prat de Llobregat case was selected because this plant is in charge to manage 35% of wastewater produced in Barcelona, through an 18 km long network of collectors. Data sources include information about the investment process of the wastewater treatment plant of El Prat de Llobregat. The analysis of the investment in reclamation and reuse systems is applied for private costs and private benefits. An estimation of the potential cost of reclaimed water that optimizes the expected flow of Net Present Value (NPV) was also developed in the analysis. The main result of the chapter is that the price of reclaimed water in Barcelona should be around 0.1298 €/m³. It is important to point out that in the city of Barcelona, during the extreme scarcity period of May 2008, reclaimed water production for a conventional tertiary treatment plant, by reverse osmosis was 1.0801 €/m³, and this implies that the opportunity cost of water in Barcelona was 7.38 €/m³.

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Chapter 1

REGIONAL GOVERNANCE FROM A COMPARATIVE PERSPECTIVE

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ABSTRACT

The point of focus of this chapter is the growing importance of regions in international relations. The chapter adopts an institutional social constructivist approach, wherein international regions are considered the political constructs of states. After a discussion of both the advantages and the shortcomings of the complementary concepts of 'regional integration' and 'regional cooperation,' the chapter then argues that the concept of 'regional governance' is the most adequate term for capturing the variations in regionalism. Regional governance is a sufficiently broad and flexible concept that it can be satisfactorily used to grasp the variable interaction patterns between different regional organizations. Since most regions feature more than just one regional organization, these institutions will often overlap with regard to their mandates and/or membership – which can lead to either conflict or cooperation. With the objective in mind of systematizing the study of the interaction patterns between regional organizations, the chapter develops an analytical scheme and a taxonomy to differentiate between various types of regional governance – synergistic, cooperative, conflictive and segmented.

1. REGIONS AND REGIONAL ORGANIZATIONS

Regions and regionalism have by now become important features of world politics, specifically in a multipolar international system wherein the West is only one region of a 'decentred globalism' (Buzan, 2011) constituted of several regional cores (or 'regional worlds'; Acharya, 2014, 79-105). In this context, it is important to understand how regions

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are politically organized and governed, because both the concept of 'region' and the institutional architecture of a given region are closely interlinked. As Herz indicates, 'the term "region" in fact originates from the idea of rule, as in *regere*, command, and we shall be looking into regions as the locus for the production of norms, public policy, and dispute mechanisms as a result of the choices by governing elites in the countries that form the region' (2014: 237).

While regions are porous social entities (Katzenstein, 2005) open to external influence through processes of norm diffusion or through the foreign policies of great powers, local actors meanwhile can use regional organizations to create rules – with a view to protecting their autonomy from dominance or abuse by more powerful actors (Acharya, 2011). Regional organizations can make a region less porous by functioning as filters between the region and the international system (including global governance structures). The creation of regional organizations constitutes and consolidates a region, inasmuch as these institutions give the region an identity (or 'actorness').¹ One might label this approach 'institutional social constructivism,' wherein international regions are seen as the political constructions of nation-states (Powers & Goertz, 2011: 2388).²

A regional organization can be defined 'as an international organization composed of three or more geographically proximate states having a continuous institutional framework' (Marks et al., 2014: 7).³ Regional organizations delimit the region as a subsystem within the overarching international one, and serve to structure the relations between states within the region. From this perspective, regional organizations have two specific functions: they manage regional externalities (which could be related to trade, security or other issue areas) and/or articulate the common interests of the region to actors situated outside of it. The same institutions can alternatively also be used either as instruments of regional cooperation or as ones of discrimination and exclusion vis-à-vis other states.

There have been two waves of regionalism in the post-World War II period thus far (Goltermann et al., 2012; Mansfield & Milner, 1999). The more recent one of these started in the 1990s, and has been characterized by a proliferation of regional and sub-regional organizations. Most regions feature more than one regional organization. Often, these are complementary and perform different functions. Some are sub-organizations of other or broader regional organizations. However, regional organizations can also overlap (for Africa, see De Lombaerde, 2011: 37; Genna & De Lombaerde, 2010: 591–592; for Latin America, Malamud, 2013; Malamud & Gardini, 2012; Weiffen et al., 2013)⁴ with regard to mandates and membership (see Weiffen et al., 2013). The proliferation and overlapping of regional organizations is frequently described with, and symbolized by, the metaphor of a spaghetti

¹ As former Brazilian foreign minister Celso Amorim once claimed, with regard to the creation of the Union of South American Nations (the acronym for it in Spanish/Portuguese is UNASUR/Unasul), 'Unasul [UNASUR] has given South America a face' (2010: 229–230).

² 'Regions are not defined by geography *per se*, but through the decisions of state leaders to create institutions within a limited geographical area, typically contiguous states, to deal with a variety of economic, social, and political problems' (Powers & Goertz, 2011: 2388).

³ This definition is based on other ones articulated by different authors, such as Haftel (2013: 394) and Power & Goertz (2011: 2396–2397).

⁴ The discussion of 'overlapping regions' (Genna & De Lombaerde, 2010: 591–592) should be qualified on the basis of an analysis of whether competing regional organizations really do construct different regions. However, states may be members of multiple regions (Powers & Goertz, 2011: 2389).

bowl. Spaghetti is, as such, dished up in African, Asian, Latin American and even European bowls.

Because of this proliferation and overlapping of regional organizations, it makes no sense to look at regional organizations in isolation. To do so would mean ‘neglecting the specific properties of an institutional architecture (that is, how different regional organizations are assembled together) and the impact that these properties have on regional order’ (Hofmann & Mérand, 2012: 133–134). In the end, the whole architecture – that is, the combination and interaction of different regional organizations – is more important than its constituent parts – that is, individual regional organizations – are. Focusing on one isolated regional organization might lead to inaccurate conclusions being made about the current state of regional integration. Therefore it makes more sense to discuss the entire regional architecture, rather than to investigate only separated out individual regional organizations. In this vein Van Langenhove persuasively argues in favour of widening the research agenda on regional integration, with the objective of directing attention towards the study of intraregional processes because ‘unlike states regions and regional arrangements can overlap. This has consequences for regional integration as several of such processes may occur simultaneously in a given geographic area’ (2012: 26).

How, though, should the analysis of this regional architecture and the processes of intraregional interaction between different regional organizations be ideally conducted? Are there different patterns of interaction occurring, and what are the factors that structure the regional architecture? These are some of the key questions that now require our much closer attention.

2. REGIONAL COOPERATION AND REGIONAL INTEGRATION

Regionalism is generally accepted as being an overarching concept referring to, respectively, ‘the formation of interstate associations or groupings on the basis of regions; and in the doctrinal sense, the advocacy of such formations’ (Nye, 1968: vii), ‘the policies and practices of state-based permanent organizations with membership confined to a limited geographical area’ (Fawcett 2013: 4), ‘the policy and project, whereby state and non-state actors cooperate and coordinate strategy within a particular region or as a type of world order’ (Söderbaum, 2009: 479) or ‘a state-led project to organize a region along particular political and economic lines’ (Phillips & Prieto, 2011: 117). While there is a basic consensus on the concept of regionalism, there is, however, much less consensus on how to conceptualize different forms of regionalism. Most authors will agree that regional integration is a narrower sub-category of regionalism, one that is principally based on the European post-World War II experience. Börzel (2013), for example, differentiates between regional cooperation and regional integration. She contends that regional integration ‘involves the setting up of supranational institutions to which political authority is delegated to make collective binding decision,’ whereas regional cooperation refers to ‘the joint exercise of state-based political authority in intergovernmental institutions to solve collective action problems related to economic, political or security issues’ (2013: 508). Although Börzel (2013) argues strongly in favour of clearly differentiating between regional cooperation and regional integration, one might also conceptualize regional integration as a special type or subset – albeit ‘not the most

successful, or even the most frequent' (Malamud, 2013: 2) – of regional cooperation. Börzel (2013), however, perceives regional (intergovernmental) integration and regional (supranational) cooperation as two opposite ends of a continuum of regionalism.

However, regional integration can also be defined in a more encompassing and flexible way. The concept might be 'used as synonymous for regionalism and/or regionalization' (De Lombaerde, 2011: 38) or defined as 'a historical process of increased levels of interaction between political units (subnational, national, or transnational), provided by actors sharing common ideas, setting objectives and defining methods to achieve them, and by doing so contributing to building a region' (Dabène, 2009: 215). Van Langenhove, meanwhile, conceptualizes regional integration as 'the formation of supranational spaces of cooperation between states' (2012: 18). Later he differentiates between the three major types of action that lead to regional integration: 'removing economic obstacles towards integration; building adequate institutions or regulations that favour the delivery of regional public goods; and, presenting the integrated region as a unit with some level of sovereignty' (2012: 21). This can lead to three different major varieties of regional integration: 'a single market; a provider of services and policies; and, an international actor with a certain degree of actorness in global affairs' (Van Langenhove, 2012: 28).

In contrast to economic liberalization and trade agendas, which have dominated the discussion about regional integration in the past, some authors have recently started to introduce the concept of 'positive integration' (see, for example, Sanahuja 2012a). This they do as a new sub-category of regional integration based on political consensus building, the promotion of regional interdependencies and on an increase in cooperation on non-trade issues (for example, energy, infrastructure, finance and regional security). The concept of positive integration is strongly related to that of 'regionalism' (at least as used by some authors),⁵ and is compatible with different regional projects covering different issue areas in different regions.

The discussion and positions summarized above indicate a certain disaffection with the narrow definition of regional integration posited by scholars thus far. However there are still good arguments to be made in favour of a clear-cut differentiation between regional integration and regional cooperation. One might accept the stringent definitions of regional integration given by Malamud & Schmitter (2011) and Börzel (2013), as well as the strict differentiation between regional cooperation and regional integration – because supranational institutions produce a transnational polity (Schmitter & Kim 2008) and transform the logics of politics in the corresponding regional space (in the direction of some form of multi-level governance). As a consequence of that narrow definition of regional integration, though, the analysis of regionalism outside of Europe would have to drop the concept and instead work with that of regional cooperation.

Moreover, while accepting regional (intergovernmental) integration and regional (supranational) cooperation as two opposite ends of a continuum of regionalism, one might ask whether too much emphasis is being placed on only one end of the continuum (that is, regional integration). This is especially pertinent given that there is only one flawless example

⁵ 'I will use "regionalism" in this article to mean a set of policies by one or more states designed to promote the emergence of a cohesive regional unit, which dominates the pattern of relations between the states of that region and the rest of the world, and which forms the organizing basis for policy within the region across a range of issues' (Hurrell, 1992: 123).

of this category: the European Union. On the other hand, the terrain between these opposite poles hitherto remains largely unexplored. Moreover, it seems that the terrain between regional cooperation and regional integration is more populated than the regional integration corral is.

Hence, one may ask whether there is now a need for a different concept (or concepts) to replace those of regional integration and regional cooperation in the comparative analysis of regionalism. Any such concept should capture the formation of supranational spaces of cooperation, the actorness of a region with regard to parties situated outside of it, the pooling of sovereignty without the necessity of building supranational institutions, the provision of regional public goods and the existence of overlapping regional organizations and competing regional projects. What, then, are the possible alternative concepts to regional integration and regional cooperation that can be used to chart the field of regionalism and to classify different forms of regional interaction? One option would be 'regional architecture,' a term that is often used but seldom defined. More recently, regional architecture has been described as 'a reasonably coherent network of regional organizations, institutions, bilateral and multilateral arrangements, dialogue forums and other relevant mechanisms that work collectively for regional prosperity, peace and stability' (Weixing Hu 2009: 14). One could also adapt the concept of 'global governance architecture' – which has been defined as 'the overarching system of public and private institutions that are valid or active in a given issue area of world politics' (Biermann et al., 2009: 15) – to the regional level. While the first definition makes no reference to rule setting and rule enforcing in a territorial (regional) space, the second refers to governance architecture 'as the meta-level of governance' and is focused on a particular issue area (Biermann et al., 2009: 15f.). If we accept that regions are social and political constructs, and that regional organizations perform regulatory functions within the corresponding region, then the regulations and political institutions that construct the territorial space of a region should be at the core of any concept that distinguishes between different varieties of regionalism.

3. VARIATIONS IN REGIONAL GOVERNANCE

This chapter argues that the concept of regional governance is the most adequate term for capturing the variations in regionalism and in regional projects. This idea is not new; 'regional governance' is a term frequently used in textbooks (Herz, 2014), but it is often not clearly defined or conceptualized. How is regional governance best defined then? Schimmelfennig defines it as 'a regional space of political order and regulation' (2006: 154). Söderbaum, meanwhile, draws on Rosenau (1997), and thus defines regional governance 'as spheres of authority at the regional level of human activity which amount to systems of rule – formal and informal, public or private – in which goals are pursued through the exercise of control' (2004: 422). Powers & Goertz for their part refer to 'the creation of institutional governance in regional space' (2011: 2397). Although Fawcett & Serrano (2005) do not provide a clear-cut definition themselves, they do appear to adhere to a dynamic concept of

regional governance⁶ that refers to a process of setting and creating rules that are then enforced by the institutions existing within a given geographical space.⁷

Riggirozzi (2012) uses the concept of regional governance in the sense of models of governance that manifest a different logic of the ideal structuring of a region with regard to the institutionalization of norms and practices in support of a regional community. Jayasuriya also makes reference to 'regional governance projects' (2004: 21–22). His encompassing definition fixes the parameter that regional governance projects should be composed of four core elements: (1) a stable set of international economic strategies; (2) a distinctive set of governance structures that enable regional economic governance; (3) a set of normative or ideational constructs that not only make possible a given set of regional governance structures but also make possible the very definition of the region; and, (4) a convergence of domestic coalitions and political economy structures that facilitate the coherent construction of regional projects. In another article, and without the strong economic component of his earlier definition, Jayasuriya defines regional governance more broadly as 'the management of the conflicts created through growing interdependencies within a specific – albeit ideologically-constructed – geographical region through the creation of institutional forums, policy instruments and networks of private and public actors (2009: 321).⁸ He further adds that 'regional governance encompasses those institutions, instruments and mechanisms that allocate power, influence material stakes and shape the ideological representation of the region itself' (2009: 321).

To summarize, regional governance refers to international institutions/organizations and normative/ideational constructs – as well as to the processes that create these institutions and norms in the first place.⁹ Regional governance is essentially, but not exclusively, based on intergovernmental regional organizations. It is not restricted to a single organization, but rather refers to the entire set of relevant regional organizations and their patterns of interaction. One may define regional governance as the overall configuration of the (intergovernmental) regional organizations that frame the regional discourse of member states and generate the norms and rules for the region in different policy areas, thereby contributing to the solution of collective problems and/or to the realization of common benefits. Thus regional governance as well as regions are best analysed from the perspective of 'institution construction' (Power & Goertz, 2011: 2403).

The concept of regional governance is broad and flexible enough that it can be used as a way to adequately grasp the variable interaction patterns between regional organizations, which can alternate between conflict and cooperation. This chapter will develop an analytical

⁶ 'The real game of governance lies in defining the rules before playing them' (Serrano, 2005: 19). A dynamic concept of regional governance makes sense also because a concept of the region based on regional organizations is itself quite dynamic (Powers & Goertz, 2011: 2402).

⁷ Adler and Greve define governance as an 'order-creating mechanism', and security governance 'as a system of rule conceived by individual and corporate actors aiming at coordinating, managing and regulating their collective existence in response to threats to their physical and ontological security. [...] Mechanisms of security governance are a more or less clearly delineated set of rules, norms, practices and institutions that coordinate security relations between actors in the international system' (2009: 64–65).

⁸ Komori (2009), in his concept of a 'multi-layered' form of regional governance, also includes non-state actors – even though national governments remain the dominant actors.

⁹ This conceptualization of governance is congruent with Keohane & Nye's own definition: 'By governance, we mean the processes and institutions, both formal and informal, that guide and restrain the collective activities of a group' (2000: 12).