ABSTRACT: The international system of nation-states is evolving into something more complex and indeterminate. One important development has been the creation of regional communities. If these are to thrive in their own distinctive way, national governments, including the United States, will need to support creative policies that harmonize interests, not only within such communities but also among them. Policy planners, therefore, must think globally and act regionally.

Not so long ago, “international relations” meant “inter-state relations.” Issues of war and peace belonged exclusively to the governments of states. They ruled the world. This was commonly called “the Westphalian system,” after the 1648 Peace of Westphalia, which dictated the principle of independent national sovereignty and laid the geopolitical foundation for the next several centuries.

It replaced a more decentralized system that was much like the system now emerging in this age of transition. The Westphalian system has given way to one in which the dominance of nation-states is challenged by global and regional entities, as well as subnational ones. National governments no longer have a monopoly over the use of force on a large scale and, hence, over decisions concerning war or peace. Their power is seeping away.

Fragmentation, or disintegration, appears to be the inevitable “other side of the coin” from the integration inherent in the process of globalization. The reasons for this are not altogether clear. Perhaps the disintegration has occurred because power has been reallocated within the international system. Perhaps global institutions seem too remote. Certainly, the export of jobs and competition with workers in distant countries breed reactions leading to barriers between nations.

Probably a mix of all these factors has contributed to this reaction, and we might reasonably invoke the philosophy of Hegel to suggest that a new system of governance will be a synthesis of globalization and localization. In any case, arguably, all of the conflict and turmoil that has affected the Euro-Atlantic region since the end of the Cold War, perhaps even the end of the Cold War itself, has resulted from the ambitions of actors operating below the level of states. Ethnic cleansing, the rise of political Islam, the dissolution of multinational states, over-reaching by financial organizations—all these are evidences of fragmentation. The correlation with the successes of globalization during this same period is too strong to ignore.

National governments are fighting to retain their authority but it appears to be a losing battle. The technologies and tools they deploy to preserve their share of power also undermine it, as individuals and networks have become empowered by information technology. Barriers
to trade only serve to weaken that power further. The process of creating new forms of governance continues unabated, but in a more or less haphazard fashion.

This development does not mean that nation-states are going away or that their powers are permanently lost. In fact, one of the striking things about the history of nation-states is not merely how enduring they have been, but also how successful most have been in adapting to new geopolitical and economic conditions.

**A European Example**

The archetype of cooperation is still the “European project,” despite its many internal tensions. In Europe, a true security community has been constructed, where its members never entertain the thought of war among themselves. But even in Europe, nation-states survive and in a few cases appear to thrive. The half-century of European integration has served them well. To use the language of one of contemporary Europe’s best known historians, the late Alan Milward, supranationalism has served to rescue the nation-state. This verdict is not universally held but nation-states do coexist with other structures designed both to limit and to extend their power.

Nation-states today matter more for what they do than what they represent. We need to focus less on whether or not they may cease to represent large communities and more on how they behave toward one another, and toward their own citizens.

So long as nation-states exist, so will nationalism. The transition of a system based on one form of national behavior into another is bound to generate conflict, particularly of the old-fashioned nationalist variety. How best can national governments mitigate it? For Americans in particular, the rule of law, backed by global institutions like the United Nations, was the stock answer.

For many nations, it still is the correct answer. And yet global institutions have had limited success in dealing with regional conflicts. For those conflicts, which are the main threats to global peace today, a region-based approach is essential. Indeed, regionalism has emerged as the preferred way in which the middle powers of the world have elected to pool their sovereignty. This approach sustains the viability of the nation-state and reduces the appeal of nationalism. It grants those activities with the most disruptive potential, like economic competition, a stake in a positive process of change.

Cooperation at the global level remains difficult to achieve. Many believe that this transition has gone into reverse. The Wikileaks and National Security Agency revelations suggest that national governments are busy retaking control of the global environment with the tools previously used to diffuse power away from them. There are rumblings throughout the world of a new round of protectionism, trade barriers and the like. *The Economist* recently proclaimed the emergence of a “gated globalization.”

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Technology is continuing to change our world, particularly the relationship between government and its people. Private organizations are the main generators of this change, not governments, and governments are dependent on them, just as monarchs were dependent on the grand seigneurs in pre-Westphalian times.

Surprisingly, the emerging order begins to resemble the tiered system of medieval Europe, with an overarching layer of global institutions exercising some normative influences and a number of local power centers, including nation-states, highly dependent on their ability to mobilize private, very powerful economic organizations. It is a structure in which loyalties easily become divided and diffused.

The most effective structural change that could be injected by nation-states into the new forms of governance would be a renewed emphasis on regionalism. Europe may not be the model that nations elsewhere will want to follow, but other, simpler, models already have emerged—North America, Southeast Asia, and perhaps Africa and Latin America, among them. Policies that encourage the further evolution of these models would be on the right side of history.

Good governance will demand that regional communities not act as blocs, shutting out one another’s members or allowing others to fall through the cracks. Regional communities will only work over the long term if they consistently promote both intra- and inter-regional cohesion. Their paths to regionalism must be their own, but for outsiders it means placing an explicitly higher priority on regional policies—and regional sensibilities—over clearly global ones.

**US Influence and Regional Affairs**

American interests and policies loom large in every regional setting. This is true closest to home. It is seldom mentioned how potentially powerful North America has become. In an article that appeared in *The Wall Street Journal* last summer, former Secretary of State George Shultz remarked on the integration of the economies of the United States, Canada, and Mexico:

The three countries constitute around one-fourth of global GDP, and they have become each other’s largest trading partners. A 2010 NBER study shows that 24.7% of imports from Canada were U.S. value-added, and 39.8% of U.S. imports from Mexico were U.S. value-added. (By contrast, the U.S. value-added in imports from China was only 4.2%). This phenomenon of tight integration of trade stands apart from other major trading blocks including the European Union or East Asian economies.4

A cohesive North America thus can exert a strong influence on global trade and the strengthening of liberal institutions. “North America, with the U.S. in the lead, is the world’s center of creativity and innovation,” Shultz continues, “Any measure will do: new companies formed, Nobel Prizes received, R&D spending, attractiveness to high talent from anywhere, patents issued, and numbers of great universities.”5 This all may result someday in the beacon of a world’s most successful regional community, where armed frontiers are transformed into pros-

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5 Ibid.
perous borderlands, and where economic power and political influence go hand in hand.

This moment is still a long way off. But contrast it to where North America was just a couple of decades ago before the North American Free Trade Agreement (NAFTA). A logic of regional peace has appeared in other regions meanwhile. Whether by design or by default, diplomacy, specifically American diplomacy, has begun to resemble the kind of cautious, step-by-step path of constructing better neighborhoods without the obvious need for bigger fences. Some developments elsewhere include:

- **The Middle East.** The Obama administration reportedly is trying to be less hamstrung in the unending struggles there but it is unlikely to succeed, if only because it already is engaged in reinvigorating talks between the Israelis and the Palestinians; has worked with Russia to find a way to contain and eventually to reverse the course of the Syrian civil war; and has been blamed—rightly or wrongly—for exacerbating recent turmoil in Egypt and elsewhere in the region. Meanwhile it has forged ahead in helping to reverse the threat posed by Iran’s nuclear ambitions by exploring ways to reassure both Iran and its neighbors that a Middle Eastern nuclear arms race is neither desirable nor inevitable.

- **Central and South Asia.** The administration has sought to reestablish a more normal relationship with Pakistan as North Atlantic Treaty Organization (NATO) troops withdraw from Afghanistan, although this is proving very difficult. Economic ties between India and Pakistan, which the United States supports, are the best hope for ending the risk of war between these two key nations. Regional cooperation that includes Afghanistan may also become a possibility, particularly now that Afghanistan’s northern neighbors, the former Soviet republics of Central Asia, are desperate for investment and access to markets following the removal of NATO largesse from their backyard.

- **East Asia.** The administration has worked with China to stop the cycle of crises coming from North Korea and is seeking multilateral solutions to territorial disputes nearby. A regional organization for security and cooperation in Northeast Asia may become part of a political settlement there.

- **The World Trade Organization.** As the WTO is stymied in further trade liberalization, the administration has launched the two largest trade negotiations since the collapse of the Doha Round: a transpacific and a transatlantic free trade area. Some have called this a new backdoor method to global trade, but it promises to be much more than that if negotiations, admittedly very difficult, someday succeed.

Most of these policies are in harmony with the systemic transition underway which is dispersing power to global, regional, and local groups.

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and empowering them with access to information that was never shared with them in the past.

But what this diplomacy also shows is that preventing conflict is more the task of regional interaction rather than of globalization per se. It has taken too long for it to sink in that while globalization by definition has spread around the world, it affects different places very differently and, in some, strengthens rather than diminishes the draw of nationalism. For the United States, still the world’s most powerful nation-state, this reality calls out for recognition and action.

The Continuities of Policy

In the spring of 2000, we wrote an article called “Back to Basics: US Foreign Policy for the Coming Decade,” in which we sought to define US strategic interests, beginning with the proposition that the nation’s main foreign policy goals were the success of globalization and of democracy, but that its means for achieving these goals were unfocused. We spoke of methods for managing regional interests as an important way to bring better focus to them.

US policy still is unfocused. President Obama has not embedded his regional initiatives in an explicit long-term strategy that is in tune with historical change. Currently, they are seen simply as a set of disjointed actions that respond haphazardly to local problems, offering headlines for “trend lines,” as President Clinton liked to say.

Obama’s response lacks any connective tissue and so it looks pretty meager, especially in regional forums. The president has attended few European Union summits and has never gone to an African Union summit. The only region where some sort of long-term strategy can be discerned in the administration’s rhetoric is in the repositioning to Asia, but this has mainly been part of an ill-disguised effort to balance China’s rise, rather than the recognition of the benefits that concerts of nations can bring to a world in transition.

Aside from embedding US regional diplomacy in a unified coherent strategy for peace, a better approach calls for finding and exploiting near-term regional opportunities. In the two trade negotiations, for example, large global powers like the United States may need to adjust more than they otherwise would to the necessities of smaller, regional states with incomparably more at stake. Or, in the Middle East and Northeast Asia, it could involve devising a common security language and a code of regional conduct while encouraging people in these places to apply them to their own affairs as they see fit, especially as the US military presence around the world continues to ebb.

This approach would fit well an old American diplomatic tradition but one that has gone relatively unrecognized. The genius of the Marshall Plan, for example, was not so much its generosity toward starving Europeans in 1947 or its self-interest in building prosperous new markets for American goods and investment. It was both these things. But most of all, it was a grand political gesture which said to Europeans, if you agree to work together from now on, we are prepared to help you,

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but we shall not dictate the precise terms of your cooperation beyond insisting that you do, somehow, cooperate in our mutual benefit.

Cooperate is in fact what the Western Europeans subsequently did. They took some advice from the Marshall Planners but not all of it. They pursued their own path toward a regional community, through many fits and starts and reversals, on their own terms but also in consultation and collaboration (and occasional contestation) with outside backers, namely the United States. Regional autonomy is not the same thing as autarky, just as regionalism, internationalism, and globalism need not necessarily be mutually exclusive orientations or recipes for economic and political change.

Proposals to replicate the Marshall Plan model elsewhere have long been abundant; however, few have emphasized its basic principle of regional self-help. This principle has the potential to construct more peaceful and prosperous neighborhoods; however, its main effect is representational: that is, to show that even long-established rivals sitting side by side can transform their enmities into patterns of cooperation whose value is much greater than the sum of their parts. This realization need not mean sacrificing every national source of power and influence in the process, but does require a demonstrable sharing of power among nations and regions.

The process has no hidden hand or honest broker, however much the United States has cast itself in that role in the past. It takes continuous and difficult negotiation, and, most of all, public understanding and support.

Obama’s first major achievement has been to convince a good number of his fellow Americans that the United States is a part of the world and has an obligation to listen more often. His next achievement, if the various negotiations succeed, would be to help set in motion workable processes of regional peace so that the United States itself can be at peace and prosper, both at home and abroad. It would mark an important step forward in the remaking of a weary superpower into a credible great power.

Power itself has changed. So have the means for wielding it. Today we repeat this almost as a mantra. But the changes have been more gradual and cumulative than most analysts suggest. They do not necessarily represent a clear-cut shift on the commanding heights, or as others would have it, a new permutation of the balance of power among merchants, soldiers, and sages. Something different appears to be taking place. The currency of power has shifted, namely in the ways in which nations collaborate or compete with neighboring nations, and groups within these nations, to maximize their advantages vis-à-vis more distant neighbors.

The major challenge facing our leaders is to fashion a stable but liberal system for accommodating the many interests and passions of this new era while using the leverage they still have, which is considerable. It would be easy to give in to the lowest common denominator and just muddle through. In that direction lays chaos.

Of course, global institutions are essential in terms of pointing the way to a universal system of norms and obligations to support peace
with justice. But for the rest of this century, an active regional diplomacy, not disengagement, will be the best way to manage the fundamental transformation in the global system now underway.

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