



The International Political Economy of New Regionalisms Series

MULTIPOLARIZATION, SOUTH–SOUTH COOPERATION, AND THE RISE OF POST-HEGEMONIC GOVERNANCE

Efe Can Gürcan



“In the context of the crisis of the US-led world order and the ‘Rise of the South,’ this book offers excellent insights into the governance innovations emerging from the South. Surveying examples from all of the world’s regions, Gurcan offers a rich and engaging analysis of the history and trajectory of the governance project emerging from the South and of their ‘post-hegemonic’ potentials.”

–*Dr Tom Chodor, Lecturer in Politics and International Relations, Monash University, Australia and author of Neoliberal Hegemony and the Pink Tide in Latin America: Breaking Up With TINA?*

“Drawing on an impressive array of cases, Gürcan’s book provides a provocative and timely analysis of “post-hegemonic” governance projects – alternatives and potential challengers to US-led global governance – emerging from the Global South amid the waning of American power and the crisis of Northern capitalism.”

–*Dr Kristen Hopewell, Senior Lecturer in International Political Economy, University of Edinburgh, Author of Breaking the WTO: How Emerging Powers Disrupted the Neoliberal Project*

This page intentionally left blank

Multipolarization, South–South Cooperation, and the Rise of Post-Hegemonic Governance

The crisis of Northern capitalism and failure of hegemonic global governance have created a facilitative environment for post-hegemonic initiatives promoting South–South cooperation. Major Southern countries – especially the BRICS – have taken the lead in pushing for alternative governance mechanisms that are strongly articulated in the areas of economic, financial, cultural, and defense cooperation.

This book focuses on the historical, political-economic, and geopolitical context in which major Southern countries implement a post-hegemonic agenda. Providing a global and comprehensive perspective through a series of focused case studies from Europe, Latin America, Eurasia, and Africa, the author develops a new approach to the multipolarization of world politics based on “global hegemony”.

Highly recommended for scholars, students, and activists involved in global political economy, regionalism studies, and international development, this book will be of interest to anyone seeking to develop their understanding of world politics and South–South cooperation.

Efe Can Gürcan is a Lecturer in International Studies at Simon Fraser University and a Research Associate at the Geopolitical Economy Research Group at the University of Manitoba in Canada. He has published over a dozen articles and book chapters on international development, international cooperation, and social movements, with a geographical focus on Latin America and the Middle East. His recent co-authored books are *Challenging Neoliberalism at Turkey's Gezi Park* (2015) and *Neoliberalism and the Changing Face of Unionism* (2016). His latest articles address the geopolitical and political-ecological factors impinging on the Syrian conflict since 2011.

The International Political Economy of New Regionalisms Series

Series Editor: Timothy M. Shaw

The International Political Economy of New Regionalisms Series presents innovative analyses of a range of novel regional relations and institutions. Going beyond established, formal, interstate economic organizations, this essential series provides informed interdisciplinary and international research and debate about myriad heterogeneous intermediate-level interactions. Reflective of its cosmopolitan and creative orientation, this series is developed by an international editorial team of established and emerging scholars in both the South and North. It reinforces ongoing networks of analysts in both academia and think-tanks as well as international agencies concerned with micro-, meso- and macro-level regionalisms.

The Relevance of Regions in a Globalized World

Bridging the Social Sciences-Humanities Gap

Edited by Galia Press-Barnathan, Ruth Fine and Arie Kacowicz

Expanding Perspectives on Human Rights in Africa

Edited by M. Raymond Izarali, Oliver Masakure and Bonny Ibhawoh

The International Political Economy of the BRICS

Edited by Li Xing

Structural Change in Africa

Misperceptions, New Narratives and Development in the 21st Century

Carlos Lopes and George Kararach

Multipolarization, South-South Cooperation, and the Rise of Post-Hegemonic Governance

Efe Can Gürcan

Inclusive Trade in Africa

The African Continental Free Trade Area in Comparative Perspective

Edited by David Luke and Jamie MacLeod

For more information about this series, please visit:

www.routledge.com/ASHSER-1146

Multipolarization, South–South Cooperation, and the Rise of Post-Hegemonic Governance

Efe Can Gürcan



Routledge
Taylor & Francis Group

LONDON AND NEW YORK

First published 2019
by Routledge
2 Park Square, Milton Park, Abingdon, Oxon OX14 4RN

and by Routledge
52 Vanderbilt Avenue, New York, NY 10017

Routledge is an imprint of the Taylor & Francis Group, an informa business

© 2019 Efe Can Gürcan

The right of Efe Can Gürcan to be identified as author of this work has been asserted by him in accordance with sections 77 and 78 of the Copyright, Designs and Patents Act 1988.

All rights reserved. No part of this book may be reprinted or reproduced or utilised in any form or by any electronic, mechanical, or other means, now known or hereafter invented, including photocopying and recording, or in any information storage or retrieval system, without permission in writing from the publishers.

Trademark notice: Product or corporate names may be trademarks or registered trademarks, and are used only for identification and explanation without intent to infringe.

British Library Cataloguing-in-Publication Data

A catalogue record for this book is available from the British Library

Library of Congress Cataloging-in-Publication Data

Names: Gürcan, Efe Can, author.

Title: Multipolarization, South-South cooperation, and the rise of post-hegemonic governance / Efe Can Gürcan.

Description: Abingdon, Oxon ; New York, NY : Routledge, 2019. |

Series: The international political economy of new regionalisms series |

Includes bibliographical references and index.

Identifiers: LCCN 2018054215 | ISBN 9781138600232 (hbk) |

ISBN 9780429470912 (ebk)

Subjects: LCSH: Developing countries--Economic integration. | Developing countries--Foreign economic relations. | Developing countries--Foreign relations. | Regionalism--Developing countries.

Classification: LCC HC59.7 .G836 2019 | DDC 337.09172/4--dc23

LC record available at <https://lcn.loc.gov/2018054215>

ISBN: 978-1-138-60023-2 (hbk)

ISBN: 978-0-429-47091-2 (ebk)

Typeset in Times New Roman
by Taylor & Francis Books

Contents

<i>List of figures</i>	viii
<i>Abbreviations</i>	x
Introduction	1
1 Neoliberal globalization and the downfall of open regionalism: The Latin American case	14
2 The strategic and economic crisis of open regionalism in Europe	22
3 South–South cooperation and the BRICS: Towards a post- hegemonic global governance?	37
4 The BRICS and Africa’s post-hegemonic transformation	69
5 The Latin American left and post-hegemonic regionalism: The regional quest for social justice and development	88
6 The question of Eurasian security and the Shanghai Cooperation Organisation under US interventionism	116
Conclusion	142
<i>Index</i>	150

Figures

2.1 Annual GDP growth in selected European countries (%)	27
2.2 Unemployment rates in selected European countries (% , total labor force)	28
2.3 Youth unemployment rates in selected European countries (% , total labor force ages 15–24)	29
2.4 Financial intermediation ratio in selected European countries	30
2.5 Gross portfolio debt and equity liabilities in selected European countries (% to GDP)	31
2.6 Ratio of debt of households and non-profit institutions serving households to disposable net income in selected European countries	32
2.7 Percentage ratio of industry to GDP in selected European countries	33
2.8 Percentage share of industrial employment in total employment in selected European countries	33
3.1 GDP size in the BRICS and the United States (2015)	40
3.2 GDP per capita in the BRICS and the United States (1990–2015)	41
3.3 Percentage ratio of industry to GDP in the BRICS and the United States	42
3.4 R&D expenditure in the BRICS and the United States (% of GDP)	43
3.5 Value of high-technology exports in the BRICS and the United States (2015, in current US\$)	44
3.6 ICT goods and exports (% of total goods exports, 2000–2015)	45
3.7 Net inflows of foreign direct investments by the BRICS and the United States (% of GDP in 2015)	46
3.8 Gross capital formation (% of GDP)	47
3.9 Military expenditure by the BRICS and the United States (% of GDP)	48
6.1 Rise in the number of terror incidents in the Middle East, North Africa, and Central Asia between 2000 and 2014	117

6.2 Trade volume of selected countries with SCO members excluding Russia and China (in current US dollars)	130
6.3 Sino–Russian trade volume (2000–2014, in current US dollars)	131
6.4 US Aid to SCO members Excluding Russia and China (2001-2015, in current US dollars)	132

Abbreviations

ALBA	Alianza Bolivariana para los Pueblos de Nuestra América, Bolivarian Alliance for the Peoples of Our America
AMSA	Articulación de Movimientos Sociales hacia el ALBA, Coordi- nation of Social Movements towards ALBA
BancoSur	Bank of the South
BNDES	Banco Nacional de Desenvolvimento Econômico e Social, National Bank for Economic and Social Development
Brexit	British Exit from the European Union
BRICS	Brazil, Russia, India, China, and South Africa
CIPS	Cross-Border Interbank Payment System
CSN	Comunidad Sudamericana de Naciones, Community of South American Nations
CSTO	Collective Security Treaty Organization
CUFTA	Canada–United States Free Trade Agreement
EU	European Union
FTAA	Free Trade Area of the Americas
ICT	information and communication technology
IIRSA	Integration of Regional Infrastructure in South America
ILO	International Labour Organization
IMF	International Monetary Fund
Mercosur	Mercado Común del Sur, Southern Common Market
NAFTA	North American Free Trade Agreement
NATO	North Atlantic Treaty Organization
OAS	Organization of American States
OECD	Organisation for Economic Co-operation and Development
PDVSA	Petróleos de Venezuela, S. A.
R&D	research and development
RATS	Regional Anti-Terrorist Structure
SADC	Southern African Development Community
SCO	Shanghai Cooperation Organization
SUCRE	Sistema Unitario de Compensación Regional, Unified System for Regional Compensation

SWIFT	Society for Worldwide Interbank Financial Telecommunication
TCPs	Tratados de Comercio de los Pueblos, People's Trade Agreements
Unasur	Unión de Naciones Suramericanas, Union of South American Nations
UNIALBA	Red de Universidades de los Pueblos del ALBA, Network of Universities of the Peoples of ALBA
US	United States of America

This page intentionally left blank

Introduction

World politics is experiencing tectonic changes, which are leading to major economic and political instabilities. Arguably, among the most important changes are the crisis of hegemonic governance and a rapidly growing geopolitical multipolarization. Notable examples of such changes include the crisis of Northern capitalism since 2008 and its prolonged effects, which have manifested in a surge in right-wing extremism and the weakening of global governance initiatives, including the North American Free Trade Agreement (NAFTA), the Trans-Pacific Partnership, and the European Union (EU). Particularly, Donald Trump's intention to withdraw from the Trans-Pacific Partnership and renegotiate NAFTA, which he branded as a "trading disaster" (Frisk 2017), attests to the crisis of hegemonic governance. The EU has also been paralyzed by the 2008 economic crisis and political crises such as the Brexit (British Exit) referendum result in 2016. Parallel to the crisis of hegemonic governance is the intensification of geopolitical rivalries, which are being brought to the surface by increasing tensions between the United States of America (US) and other Eurasian powers such as Russia, China, and Iran. This situation has prompted many to suggest that a new cold war is in the offing, especially considering the recent developments associated with the Sino-American military confrontation in the South China Sea; the US military buildup in Asia and near the Russian border; the proxy warfare in countries such as Syria, Ukraine, and Yemen; overt US attempts to evaluate leadership survivability against nuclear strikes in China and Russia; the North Korean conflict; and mutual allegations of hacking (e.g. Black and Johns 2016; Legvold 2016; MacKinnon 2007).

What can be done to prevent these instabilities from culminating in a state of full-scale war and total chaos? The tumultuous state of world politics is largely attributable to painful symptoms of difficulties in adjusting to an emerging multipolar world, in the context of a Northern capitalism in crisis. For this slow adjustment to bring about a peaceful systemic emergence without massive human suffering will depend on the form and strength of alternative global governance and South-South cooperation initiatives that could restrain the global hegemony of Northern capitalism. As these initiatives create alternative governance structures, it is critical to improve our knowledge of these processes. Such knowledge can inform the foreign policies of

2 Introduction

countries the world over, so that institutionalized and stable patterns of socioeconomic cooperation can emerge. Greater knowledge of the new structures of international governance will also enable better use of the new possibilities of what one could call diplomatic deterrence and power-balancing mechanisms, which have the potential to prevent military confrontation. With these concerns in mind, the present book aims to contribute to crucial debates on how to address the global economic and strategic instabilities attributed to multipolarization. The overall objective is to assess how international state linkages configure the geopolitical and economic patterns of cooperation, collusion, and conflict in a post-hegemonic direction, with particular attention to the historical, normative, and institutional dynamics of these linkages at the regional level. Accordingly, the central theme of this book revolves around the following questions:

What are the leading political-economic and geopolitical factors that have been eroding the influence of hegemonic global governance since the 2000s?

How is the multipolarization of world politics translated into post-hegemonic forms of governance in the Global South?

What are the peculiar manifestations of this process in different regions of the world?

What are the strengths, weaknesses, and prospects of South–South cooperation and post-hegemonic regionalism in institutionalizing alternative forms of international cooperation and power-balancing mechanisms towards growing multipolarity?

The geopolitical economy of post-hegemonic governance and regionalism in the Global South: Towards a conceptual and methodological framework

Recent research in international relations attests to a growing interest in the destabilization of the US-centered world order and multipolarization of global politics (e.g. Acharya 2014; Alcaro, Peterson, and Greco 2016; Amin 2013; Campbell 2016; Mandelbaum 2016; McCoy 2017; Murray and Brown 2012; Stuenkel 2016a, 2016b; Tozzo 2018; Woodley 2017). However, most monographs and edited studies on the Global South's contribution to multipolarization focus on individual major countries, chiefly Brazil, Russia, India, China, and South Africa (the BRICS). Regional and collective governance initiatives remain unaddressed to a large extent, with the exception of the BRICS, on which the literature is burgeoning (Bond and Garcia 2015; Christensen and Xing 2016; Chun 2013; Clegg 2009; Cooley 2012; Gu, Shankland, and Chenoy 2016; Hopewell 2016; Kiely 2015; Kingah and Quiliconi 2016; Miller 2017; Murray and Brown 2012; Pieterse 2017; Roberts, Armijo, and Katada 2017; Slobodchikoff 2014; Stuenkel 2016b; Tselichtchev 2012). A rarity in this otherwise fascinating and valuable literature is book-length accounts on the contribution of multipolarization to South–South cooperation and regional governance: only a few studies have

focused on the development of new regional governance initiatives in Latin America or Eurasia (Aris 2011; Bagley and Defort 2015; Marketos 2009; Muhr 2013; Song 2016). Entirely absent is interregional comparative research on how alternative regional initiatives might promote global cooperation and stability in a post-hegemonic direction. This book seeks to advance both our empirical and theoretical knowledge of this newly emerging area by offering a global perspective that incorporates Europe, Latin America, Eurasia, and Africa. It also contributes to Radhika Desai's (2013) theory of geopolitical economy, the uniqueness of which lies in its ability to provide a systematic approach to multipolarity by examining how the geopolitical and economic dynamics of world politics interact to generate global political change. My contribution to geopolitical economy consists of putting the notion of "post-hegemony" at the center of geopolitical economic analysis. Therefore, the significance of my research lies in its advancement of knowledge on post-hegemonic governance, and its development of the concept of post-hegemony as an explanatory tool in geopolitical economy.

In this book, I understand "multipolarization" as the increasing parity in the global distribution of political, economic, cultural, and military power. This process is clearly visible in the transformation of global governance institutions since the 2000s, with a growing emphasis on South–South cooperation. The term "global governance" is used here to indicate the "sum of the many ways individuals and institutions, public and private, manage their common affairs" in world politics (Weiss 2000, 796). In turn, I conceptualize the "South" not as a pre-given category, but rather as a political outcome that designates the middle- and low-income countries of Africa, Asia, and Latin America. It also includes former "Second World" countries such as Russia and rising world powers such as China. These are the countries that choose – albeit in varying forms, degrees of coherence, and levels of engagement – to challenge the global political and economic designs imposed by advanced capitalist countries (Cozzens et al. 2008, 803; Levander and Mignolo 2011). As such, the Global South can be seen as an "imagined community" (Anderson 2006) in an Andersonian sense, insofar as it is an imagined community of nations socially constructed by the states or peoples that see themselves as part of this community. Evoking a certain degree of contention against the Global North (i.e. the advanced capitalist economies), the "South" denomination is not used to dismiss the economic and strategic divergences among low- and middle-income countries. Emblematic of these divergences are India's oscillation between the US and Eurasia (Pande and Thoburn 2016; Tamkin 2017); the persisting rivalry between India and Pakistan, as reflected in China and Russia's differing foreign policy commitments over the Indo-Pakistani question (Chaudhury 2016); and Russia and Iran's disagreements over Assad's Syria (Young 2017). The explanatory potential of the "South" lies rather in discussing the politicization of these countries as they engage in South–South cooperation and solidarity towards multipolarity, to the detriment of a US-centered political system. Relatedly, "South–South

4 Introduction

cooperation” is used here to designate “the process[es], institutions and arrangements designed to promote political, economic and technical cooperation” (UNCTAD 2010, 1) within the Global South.

As US global hegemony loses its grip, a distinctive feature of the multi-polarization of world politics has been the rise of South–South cooperation and regionalism, with Latin American and Eurasian initiatives sharing a common post-hegemonic agenda of governance. The term “region” is derived from the Latin words *regio* (neighborhood) and *regere* (to govern) (Morwood 2005). Regardless of its etymological origin, the term can carry different meanings in different contexts. In the lexicons of geography and sociology, “region” is often used to indicate “micro-regions”; that is, spaces within states that are larger than local areas. However, in this book, “regions” carry the meaning of “macro-regions”, which is the common usage in politics and international relations. Macro-regions represent spaces that are larger than the nation-state and smaller than the world-system. While traditional approaches tend to emphasize the pre-given geographical characteristics of regions, contemporary perspectives lay greater emphasis on the fluidity and historicity of definitions of the region across different cultural perceptions and political imaginations (Söderbaum 2003). Accordingly, regionalism is understood here as a set of governance programs and strategies that seek political, economic, and/or cultural cooperation between the states of a region.

“Post-hegemony” speaks to a world no longer characterized by hegemony – “a situation in which one nation-state [i.e. the US in the aftermath of the Cold War] plays a predominant role in organizing, regulating, and stabilizing the global political economy” (Du Boff 2003, 1). The original formulation of post-hegemony was confined to heterodox political-economic practices that challenged neoliberalism in the Latin American context (Briceño-Ruiz and Morales 2017; Riggirozzi and Tussie 2012). In my research, I extend the concept of post-hegemony from its Latin American roots to Eurasia and place additional focus on regional security. Conceived as such, “post-hegemonic governance” describes a situation in which US global hegemony is challenged by a plurality of emerging projects, including the BRICS, Shanghai Cooperation Organization (SCO), and *Alianza Bolivariana para los Pueblos de Nuestra América* (ALBA: Bolivarian Alliance for the Peoples of Our America) – albeit with uncertain prospects that do not necessarily involve direct and sustained confrontation with the US. Therefore, this research retains post-hegemony’s original focus on US-promoted neoliberalism, but supplements this with a closer examination of its security and military implications from a geopolitical-economy perspective.

The “post” prefix in post-hegemony is used to highlight how US-led governance structures are being challenged by a plurality of co-existing, competing, and coalescing models, although this Southern challenge to US hegemony does not necessarily involve direct and sustained confrontation with the US. On one hand, BRICS countries and other Southern contenders