Driven by globalization, international economic integration has become unavoidable. Within this broader trend, two distinctive modes of international regime building can be identified: globalism and regionalism. Globalism, illustrated using the case of the World Trade Organization (WTO), pushes forward global economic integration using established norms. In contrast, regionalism involves gradual expansion of regional integration mechanisms based on interests of member states. This study assesses these two development modes with justice as a concept of moral rightness. To this effect, Rawls’s theory of justice is applied to evaluate standards of justice in international regimes. Based on Rawls’s two principles of justice, three assessment criteria are developed: (1) equal qualification principle, (2) equal opportunity principle, and (3) difference principle. These criteria are applied for comparative analysis of justice in the development of global and regional regimes in order to develop a model for international regimes that is consistent with the concept of justice. A comparison of (1) qualifications for membership; (2) fairness of decision-making mechanisms, and (3) institutionalization of differential treatment shows that justice in global regimes is superior to that in regional regimes. In other words, in terms of the philosophy of moral rightness, states should pursue integration based on the principles of globalism.

Keywords: Globalism, Regionalism, International Regimes, Rawls, Theory of Justice

Motivation and Research Objectives

This study involves analysis at the political, economic, and philosophical level. The political level involves “patterns of distribution,” the economic level involves “resource extraction models,” while the philosophical level involves “search for a rational state.” We are interested in the concept of justice under regimes of economic globalization. Therefore, we try to identify ideal changes to the existing international system for exchange and distribution on the three dimensions described above. On this basis, we argue that applying
philosophical thinking as a means of testing the economic dimensions of political systems is the most appropriate research method. We are not the first to use this approach. Many scholars working on international regimes have used Rawls’s theory of justice as a research tool. In particular, the work of Rawls has been extensively used to discuss the justice under the United Nations Security Council (Holden 2000:125-142; Kuper 2004:75-136; Hsu 2004:103-164). In this study, we extend this application of the theory of justice to international economic regimes.

By observing actual international society, it is clear that spread of globalization has become an unavoidable reality, particularly in terms of the global economy. Rapidly advancing Internet technology and increasingly dense flows of capital and goods across borders are now a reality in international society. Notwithstanding the continued debates on the merits of globalization, it is undeniable that globalization is now an irreversible process; the world is clearly moving toward greater integration. As a result, existing international regimes will continue to develop. Therefore, if we want to critique injustice in the existing system of globalization, we need to start from the level of international regimes as a basis for future reform. This study is focused on the economic dimension of globalization since this is currently where the trend towards globalization is most apparent. Therefore, we look at international economic institutions to examine factors that cause injustice in global development.

What standards should be use when discussing the issue of “justice”? The author believes that John Rawls’s “theory of justice,” which has been the subject of significant academic discussion, provides the best analytical approach. We identify three main principles in Rawls’s theory of justice: (1) principle of equal qualification: individuals enjoy substantive equality in their status; (2) principle of equal opportunity: individuals with the same capabilities also enjoy the same opportunities for participation; (3) principle of difference: rules must benefit the least advantaged members of society. Based on these three concepts, this study examines two different regimes for the international economy globalism (based on the WTO) and regionalism (based on regional economic agreements), assessing whether these regimes meet standards of justice, and applying these findings to a discussion on reform of international economic regimes under globalization.

**Rawls’s Theory of Justice**

*Theoretical Background*

John Rawls was an undoubtedly the leading figure in contemporary political philosophy. Although there were many criticisms of Rawls’s four classic works, his critics were unable to produce an equally complete theoretical framework.
As a result, through refinement, Rawls’s work has become the standard for scholars to evaluate moral rightness. The four classics are: (1) *A Theory of Justice* (Rawls 1971): this was the starting point for Rawls’s thought. Rawls first proposes his meaning of justice—justice as fairness, which explores mechanisms for the fair distribution of resources in society. (2) *Political Liberalism* (Rawls 1993): Rawls presents a solution to the problem of intensifying national ethnic conflicts in the concept of “public reason.” This concept of public reason is based on shared norms and procedures at a generalized or idealized level, and seeks common ground, reciprocity, and mutual respect. These concepts provide a model for contemporary constitutional democracy. (3) *The Law of Peoples* (Rawls 2001): Rawls develops his theory of justice to the international level, applying the theory to explore the justice of war, and setting principles for international intervention. (4) *Justice as Fairness: A Restatement* (Rawls 2001a): this work appeared twenty years after the publication of *A Theory of Justice*, offering a response to the many comments and criticisms on his work, and providing a final restatement of his theory of justice.

This study hopes to find greater moral legitimacy at the philosophical level on the question of economic and trade integration under globalism and regionalism. Therefore, we apply the theoretical reasoning in Rawls’s *Theory of Justice* to establish whether international regimes satisfy certain standards of justice. The content is limited to the principles of justice set out in *A Theory of Justice*.

**Theoretical Reasoning in Rawls’s Theory of Justice**

The theoretical reasoning behind Rawls’s theory of justice can be divided into three stages. The first stage is the insistence on “procedural justice” when establishing moral proof; the second stage is the social contract doctrine of the “veil of ignorance”; while the third stage is deducing the “two principles of justice.” In the section below, we present an overview of these three stages from which we derive the assessment criteria for the concept of justice.

(1) First stage in the principle of justice: insistence on “procedural justice”

Rawls first points out that the question of whether a theory is established depends on whether the process of reasoning and the outcome contradict each other or not. If there are any inconsistencies in the process, even when the desired outcome is ultimately achieved, the outcome is not acceptable. This means that the premises, processes, and outcome must support each other. We cannot use an outcome to rationalize an a priori premise. However, as long as the process follows the description above, even where its premises are not widely accepted, the outcome is still justified. In *A Theory of Justice*, this
concept is referred to pure procedural justice. This is the first argument made in the book, and is basic premise for establishing Rawls’s theory of justice.

Further analysis shows that when there is no common standard for assessing what is a “just outcome,” pure procedural justice applies a fair and proper procedure, which when followed correctly produces a type of “fairness” regardless of the outcome. In other words, pure procedural justice assesses the fairness of the ultimate outcome on the fairness in the processes. Rawls argues that while each person has a different conception of justice, the guiding principles of society must be agreed by society as a whole. Therefore, this theory of justice does not propose a specific theory, but instead applies a concept of pure procedural justice, which tries to use procedural fairness as the basis for principles of justice (Lin 1996:35-36).

(2) Second Stage in the principle of Justice: The “Veil of Ignorance” Assumption

According to Rawls, individuals in society have different attitudes to live, including principles, standards of conduct, and goals in life. However, as long as the actions of each individual conform to certain procedural rules, these actions are legitimate and acceptable to others. In *A Theory of Justice*, Rawls seeks to justify these procedural rules through his “two principles of justice.” How are these “two principles of justice” constructed? Since procedures must be applicable to society as a whole, including each individual, these procedures must naturally be accepted and recognized by the entire population. On this basis, Rawls applies a social contract approach to construct the two principles. Since the concept of the social contract is used, it is necessary to understand the position from which the contract is made. Rawls proposes the concept of the “original position,” whereby pre-social individuals agree to standards of procedural justice applicable to all. In order to achieve this, Rawls creates the concept of the “veil of ignorance,” whereby individuals do not know who they will be in the new society, and so produce standards or right on wrong based on the interests of humanity as a whole (Rawls 1971:18-21; Kymlicka 2002:82-84).

In Rawls’s account, the fairness of the original position is based on selection of principles of justice behind the veil of ignorance. The function of the veil of ignorance is to remove the influence of particular contingencies, which may result in individuals exploiting society for their own benefit. In other words, when the makers of the social contract are behind a veil of ignorance, they cannot know the impact of possible choices on themselves as individuals, and therefore must consider the principles of justice based on the interests of society as a whole. As a result, the veil of ignorance ensures that when selecting principles of justice, individuals are unable to make choices based on individual contingencies such as natural chance or social position.
In other words, the so-called “veil of ignorance” means that under the original position, the social contract is formed by individuals who are ignorant of their own social position, class, or identity, as well as their natural intelligence, talents, capabilities, and physical strength. In addition, individuals are unaware of their own values or particular life goals, and do not even know their own psychological characteristics such as whether they are optimistic or pessimistic and whether they like to take risks. Furthermore, the individuals that make the social contract are not aware of the particular social conditions of their society. In other words, they know nothing of the political and economic situation in their own society, or its level of civilization and cultural achievements, or what era they belong to. The only fact that they are aware of is that their society is in a state of justice. Although the individuals that form the social contract lack specific knowledge, they have basic knowledge about the workings of human society; they understand the principles of political affairs and economic theory; they know the basics of social organization and laws of psychology. Therefore, Rawls assumes that the makers of the social contract have basic knowledge about factors influencing the choice of principles of justice (Lin 1996:59-60).

In short, in Rawls's theory on the original position and the social contract, individuals in the original position are unaware of their own position in society. The position of the individual, time, and place are all unknowns, and individuals are only aware of: (1) What is beneficial to them; (2) A belief that others will comply with the contract out of a sense of justice. Based on these two preconditions, individuals will consider their own needs and establish procedural norms of justice for everyone in society to follow.

(3) Third Stage in the Principle of Justice: Deriving the “Two Principles of Justice”

Under the assumption of the “veil of ignorance,” Rawls tries to infer what social norms individuals will choose when they are completely unaware of their own future position in society. To address this, Rawls proposes the “maximin rule” to demonstrate the two principles of justice that people will choose (Rawls 1971:152-153; Bailey 1997:44-46; Barry 1989:330-340; Kymlicka 2002:82-84). The so-called maximin rule starts from the position that individuals in society who are ignorant or uncertain of certain information are not willing to take risks. Therefore, individuals will not make choices based on the maximum benefits obtained assuming an ideal position in society, but will instead based their decision on the maximum benefits obtained assuming the worst position in society. Under the maximin rule, individuals will choose to accept the “two principles of justice” under the original position for the following reasons.

In the first stage, people under the maximin rule will imagine they have a weak position in society. As a result, they will not seek to maximize personal interest, but merely to maintain the basic standard of living in society.
This demonstrates the principle of liberty, prioritizing the protection of basic human rights. In the second stage, after basic human rights have been secured, people will try to occupy certain positions in society. However, individuals will be worried that certain special conditions (such as race, wealth, intelligence, and religion) may limit their opportunities to enter certain positions. Therefore, under the maximin rule, they will establish that there must be fair equality of opportunity for all positions in society. In the third stage, before positions in society have been established, people will imagine themselves as the least well off in society. Therefore, individuals will hope that should they be in the position of the worst off members of society, they will still be able to obtain certain benefits. As a result, individuals will determine that in the subsequent society, competition for individual benefits must benefit the worst off in society in order to satisfy the principle of difference.

Above is the process by which a community of people chooses the two principles of justice under the original position. The two principles are summarized below (Rawls 1971:302-303):

1. The First Principle of Justice: The Principle of Liberty

The first principle of justice is a form of equal rights where each individual has the most extensive basic liberty compatible with similar liberty for others (Kymlicka 2002:70-73). The main purpose of this principle is to protect the basic rights of individuals. Regardless of contingent factors such as skin color, race, intelligence, or wealth, society should give individuals a quality of life that ensures human dignity, treating each individual as equal and entitled to the same basic benefits (Rawls 1971:57). Overall, the first principle of justice is defined as ensuring that individuals do not fear being deprived of the basic benefits necessary to maintain human dignity.


The second principle of justice states that when social and economic inequality exists, it should meet the following two principles: (a) Fair equality of opportunity, meaning that individuals must have an equal opportunity of obtaining the highest status or position. All offices and positions must be open to everyone without exception; (b) The principle of difference, meaning that human actions must benefit everyone in society. Therefore, we should not ignore individual benefits in the pursuit of the general interest. In other words, to satisfy this principle of justice, benefitting the worst off members of society is a precondition for increasing the general interest (Shi 1989:51).
Criteria for Assessing the Justice of International Regimes

In this study, we apply the two principles in Rawls’s theory of justice: (1) the principle of liberty; (2a) the principle of equal opportunity; and (2b) the principle of difference, as standards for assessing the justice of international regimes. We argue that Rawls’s two principles of justice can be adapted into three assessment criteria.

(1) First Criterion for Assessing: Principle of Equal Qualifications

This criterion is based on Rawls’s “principle of liberty,” which guarantees the basic needs and equal status of individuals in society. When extended to international regimes, individuals are replaced by states, and the “principle of liberty” becomes the principle of “equal qualifications.” In other words, when assessing whether an international regime is just, we must first examine whether it recognizes the qualifications of each state, and even those non-state actors. When the regime is more willing to recognize the qualifications of actors, this indicates that the international regime more closely satisfies this criterion for justice.

(2) Second Criterion for Assessing: Principle of Equal Opportunity

This criterion is based on Rawls’s “principle of equal opportunity.” This principle guarantees that individuals have an equal opportunity to develop whichever model they desire for the future. When extended to international regimes, individuals are replaced by international actors who wish to participate in international organizations. Therefore, the “principle of equal opportunity” becomes the opportunity to participate in international organizations. In other words, when an international regime allows wider opportunities for participation, or has participation mechanisms tend that towards greater fairness, this indicates that the international regime more closely satisfies this criterion for justice.

(3) Third Criterion for Assessing: Principle of Difference

This criterion is based on Rawls’s “principle of difference,” which ensures that the interests of the worst-off in society are given priority. When extended to international regimes, individuals are replaced by members of the organization, and the principle of difference becomes a mechanism for protecting the worst off members of the organization. In other words, whether the regime gives priority to the interests of the worst off is key to determining whether it satisfies this principle of justice.
The three criteria are summarized in Table 1, below:

### Table 1: Criteria for Assessing the Justice of International Regimes

<table>
<thead>
<tr>
<th>Rawls's Principles of Justice</th>
<th>Criteria for Assessing the Justice of International Regimes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Principle of Liberty:</strong> Guarantees the basic needs and equal status of individuals in society.</td>
<td><strong>Principle of Equal Qualifications:</strong> When an international regime is more willing to recognize the qualifications of individual actors, this indicates that the regime more closely satisfies this criterion for justice.</td>
</tr>
<tr>
<td><strong>Principle of Equal Opportunity:</strong> Guarantees that individuals have an equal opportunity to develop whichever model they desire for the future.</td>
<td><strong>Principle of Equal Opportunity:</strong> When an international regime offers wider opportunities for participation, or has fairer participation mechanisms, this indicates that the regime more closely satisfies this criterion for justice.</td>
</tr>
<tr>
<td><strong>Principle of Difference:</strong> Guarantees that the interests of the worst off in society receive priority.</td>
<td><strong>Principle of Difference:</strong> When an international regime gives greater priority to the interests of the worst off, this indicates that the regime more closely satisfies this criterion for justice.</td>
</tr>
</tbody>
</table>

Source: Compiled by author

## Two Perspectives on International Economic Development

There are two major distinct perspective in thinking on international economic development: (1) Globalism: According to this perspective, the world has shrunk due to technological progress, while demands for market liberalization have increased, producing a trend toward a single global market; (2) Regionalism: According to this perspective, the differences in development between regions mean that the trend toward a single global market may not be in the interest of states, and that the interests of states are instead met by regional integration. The two perspectives are described in more detail below.

### Globalism

The discourse on globalism emerged in the context of globalization and global economic liberalization, and traces back to Kenichi Ohmae’s “hyperglobalism.” Ohmae argued that with the liberalization of the global economy, and the increasing importance of cross-border trade and multinational corporations, the role of nation states had changed from policy leadership to a new role as a business unit in the global economic system (Ohmae 1995). In other words, in context the spread of global capitalism, a framework of economic competition between states has emerged. However, the economic power and influence of
states has become diluted as the world becomes increasingly interdependent. In addition, nation states as the main units of international politics have been gradually replaced by new social organizations and economic units, moving the world in the direction of a single global market.

**Regionalism**

Regionalism, which emerged as a response to the hyperglobalist view, was first proposed by Hirst and Thompson. This discourse is skeptical of the claims of the hyperglobalists that the world is moving towards a single economic market and that the state is in gradual decline (Hirst & Thompson 1995:408-442). They argue that the arguments of the hyperglobalists are too romantic and detached from reality. A realistic analysis shows that economically advanced countries are not willing to surrender their economic leadership to the global free market. Instead, advanced countries will use their existing influence to continue to accumulate national capital. In addition, it is doubtful that states would be willing to surrender its more important considerations of national security and political independence in the pursuit of economic interests and trade liberalization. In fact, an analysis of the global political economy shows does not show integration into a single global market as expected by the hyperglobalists. In fact, what we are seeing is a trend toward regional integration based around natural geographical divisions. Regionalism hopes that economic integration of nation states in a region will expand the region’s influence in the global market and achieve the ultimate aim of regional prosperity. In other words, regionalism is developed from a realistic analysis of the global situation. Since national interests take priority, a single market under globalization is impossible. Instead, regional economic integration is based on states as the main unit, counteracting the breaking down of national borders under globalization.

Reflecting these opposing viewpoints, in international society we find international organizations based both on globalism and regionalism as principles for integration. We are interested in which of the two types of integration and international regime more closely satisfy the principles of justice.

**The Justice of Regional and Global Regimes**

In order to assess economic development under global regimes, we examine the rules and norms of the World Trade Organization (WTO). Turning to regional regimes, since there are numerous regional organizations, the authors take a more inclusive approach to explain the logic of economic development under regionalism and related rules and norms in order to develop a unified model of economic development under regionalism as a basis for a comparative
assessment of justice when compared to globalism.

**Analysis of Global Regimes**

(1) History of the World Trade Organization

The development of the World Trade Organization (WTO) can be divided into three phases: (1) Transition from the International Trade Organization (ITO) to the General Agreement on Tariffs and Trade (GATT); (2) Coexistence of GATT and WTO; (3) Establishment of WTO. Of these, the most critical phase was the transition from GATT to WTO. During the GATT period, following several rounds of multilateral trade negotiations (MTN), states gradually moved towards liberalization of trade policies, and introduced substantial reductions in tariffs, leading to the dramatic expansion of global trade. In particular, the Uruguay Round which led to the establishment of the WTO was of critical significance.

Although the WTO was similar to ITO which had been established nearly half a century previously, the WTO placed comparatively more emphasis on the liberalization of trade in services, as well as intellectual property rights and environmental protection. After the establishment of the WTO, a triangular division of authority in the world economic system consisting of the WTO, International Monetary Fund (IMF) and World Bank (WB) emerged, realizing the framework envisioned under the Bretton Woods System (Milner & Read 2002:1-23).

(2) Organizational Structure of the WTO

The WTO was established based on the framework of the Agreement Establishing the WTO, and has established as many nearly forty agencies. In addition, new bodies may be established to take on new functions. The organizational framework for decision making includes: (1) Ministerial Conference: the WTO’s highest authority and decision-making body, bringing together all members of the WTO; (2) General Council: the WTO’s permanent decision-making body, made up of representative of all members. The Council for Trade in Goods, Council for Trade in Services, and Council for Trade-Related Aspects of Intellectual Property Rights are attached to the General Council and supervise negotiations and the implementation of agreements in their respective issue areas. (3) Trade Policy Review Body: Attached to the Ministerial Conference and parallel to the General Council, primarily responsible for regular reviews of members’ trade policies; (4) Dispute Settlement Body: Attached to the Ministerial Conference, and parallel with the General Council and Trade Policy Review Body, primarily responsible for resolving trade disputes between members (Chen & Chiu 2005:29-41). The
The WTO is an open organization. Based on the principle of universality, any entity that meets the organization’s requirements, including both sovereign states and separate customs territories (SCT) is eligible for membership. However, this is subject to approval of the following conditions by the legislature of the prospective member: (1) Must be willing to become a member of the WTO, and promise to accept the mandatory multilateral agreements reached during the Uruguay Round; (2) Must follow the terms and procedures laid out in WTO rules and accept the WTO agreements; (3) Must propose a schedule of tariff concessions and schedule of specific commitments in accordance with the outcome of the Uruguay Round; (4) Must propose a specific schedule for opening trade in services and liberalization according to the General Agreement on Trade in Services (GATS).

b. Decision Making Principles

The decision making protocol of the Ministerial Conference and General Council is based on the “one member, one vote” principle of equality. Under this principle, the votes of members are not weighted according to their power or trade volume, and there is no differential treatment based on the share of
the organization’s costs provided by each member. As the WTO uses a one member, one vote system, each member has equal rights, and decision making is not subject to manipulation by a few developed nations. On this basis, when trade disputes are referred to the WTO Dispute Settlement Body (DSB), smaller countries receive equitable and reasonable treatment regardless of the size of the gap between the parties to the dispute, making the WTO into a more inclusive international organization (Hoekman & Kostecki 1995:40-43; 2001:56-60).

**Table 2: WTO Decision Making Models**

<table>
<thead>
<tr>
<th>Decision Making Rule</th>
<th>Type of Issue</th>
<th>Relevant Articles (WTO Agreement)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Majority vote</td>
<td>All decisions with the exception of those listed below</td>
<td>Article 9.1</td>
</tr>
<tr>
<td>Unanimity</td>
<td>1. A decision on a dispute resolution mechanism 2. Granting of a waiver during a transition period 3. Amendments to multilateral trade agreements</td>
<td>1. Article 9.1, Article 9.2 and 9.4 on Dispute Resolution 2. Footnote to Article 9.3 3. Article 10.3</td>
</tr>
<tr>
<td>Three-quarters majority vote</td>
<td>1. Waiving obligations on members 2. Amendments that effect all members</td>
<td>1. Article 9.3, 2. Articles 10.1-10.5</td>
</tr>
<tr>
<td>Two-thirds majority compromising more than half of the members</td>
<td>Financial regulations and annual budget estimate</td>
<td>Article 7.3</td>
</tr>
<tr>
<td>Consensus</td>
<td>Making specific amendments effective</td>
<td>Article 10.2</td>
</tr>
</tbody>
</table>

Source: (Hoekman & Kostecki 1995:41, Table 2.1; 2001:56-57; Krueger & Aturupane 2000:57)

However, while WTO decision making is based on this principle, in order to ensure the efficient operation of the organization (there are significant negotiation costs associated with reaching unanimity), the WTO uses a number of different decision making models showed in Table 2.

c. The Fundamental Spirit and Principles of the WTO

After the establishment of the WTO, it gradually expanded its original scope of “visible trade” to include “invisible trade,” including trade in services, trade-
related investment measures, and trade-related intellectual property rights. The spirit and principles of the WTO can be surmised as shown in Figure 2 below (Finlayson & Zacher 1981:561-602; Hoekman & Kostecki 1995:186-195; Chen & Chiu 2005:51-61):

**Figure 2 : Basic Principles of the WTO**

![Basic Principles of WTO Diagram]

Source: (Chen & Chiu 2005:52, Figure 3-1)

(i) **Principle of Non-Discrimination**

According to this principle, limitations or sanctions imposed by a member must not involve differential treatment against any other member. This principle can be divided into (1) Most Favored Nation (MFN) Treatment Under the WTO framework for bilateral or multilateral negotiations, any privilege, favor, or exemption given to a trading party must also be given to all WTO members. MFN treatment is the WTO’s basic principle for treating all members equally; (2) National Treatment Guarantees that a foreign natural or legal persons enjoys the same treatment as domestic natural or legal persons in the territory of another member.

(ii) **Principle of Trade Liberalization**
The WTO non-discrimination principle does not require that there are no discriminatory limitations or bans between members, but that members move in the direction of liberalization to ensure the normal functioning of the international trade system. Aside from retaining a system of reasonable tariffs, members should strive to abolish non-tariff barriers and eliminate discriminatory treatment, improving market openness. This principle consists of two parts: (1) Tariff reduction: mutual tariff concessions benefiting all sides; (2) Elimination of quantitative restrictions: prohibits the use of quantitative restrictions between members, permitting only tariff measures.

(iii) Promoting Fair Competition

In order to ensure market order in international trade, WTO members have committed themselves to abide by the rules of fair competition, with action taken against violations. In other words, as world trade enters an era of free competition, other countries will inevitably respond to protectionist policies with sanctions or retaliation, meaning that the desired outcomes are not achieved, and forcing protectionists to change their way of thinking. WTO continues the spirit of GATT, emphasizing the principle of transparency. Members must immediately disclose trade policies and measures to ensure mutual understanding between trade partners, and preventing any member from engaging in unfair trade and creating discriminatory treatment.

(iv) Encouraging Economic Development

The WTO provides preferential treatment for developing countries, also known as the “non-reciprocity principle.” It aims to deal with the basic principles of trade between developed and developing economies, in order to drive world trade and economic development through the trade and economic development of developing counties. WTO rules allow developing economies non-reciprocal privileges. In other words, it is intended that due to disparities in economic development, developing countries can unilaterally obtain the benefits of economic development from other WTO members (especially developed countries), without having to pay a corresponding price. The most obvious example of this is the WTO provisions for special and differential treatment (SDT) applied to developing countries. These provisions grant developing countries special rights to require developed countries to grant them more favorable treatment than other members, including: (1) Covering necessary costs for developing countries to participate in the WTO; (2) Advanced countries must provide developing countries with preferential market access; (3) Developing countries have significant freedom in industrial subsidies and tariff reductions (Stiglitz & Charlton 2007:67-72).

Based on the items above, we identify “eligibility,” “decision making
principles,” and “fundamental spirit and principles” as the three concepts of regime under globalism, as shown in Table 3, below.

**Table 3: Regime Concepts under Globalism (WTO)**

<table>
<thead>
<tr>
<th>Decision Making Mechanism</th>
<th>Content of Mechanism</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligibility</td>
<td>Any entities that meet the conditions laid down by the organization, including both sovereign states and “separate customs territories” are eligible for membership.</td>
</tr>
<tr>
<td>Decision Making Principles</td>
<td>Principle of “one member, one vote,” based on the principle of equal rights. However, based on actual operation needs, decision making mechanisms vary according to the importance of the issue.</td>
</tr>
</tbody>
</table>
| Fundamental Spirit and Principles | 1. **Non-Discrimination:** Limitations or sanctions imposed by a member may not discriminate against other members.  
2. **Trade Liberalization:** Aside from retaining a system of reasonable tariffs, members should strive to abolish non-tariff barriers and eliminate discriminatory treatment, improving market openness.  
3. **Promoting Fair Competition:** Commitment to abide by the rules of fair competition, with action taken against violations.  
4. **Encouraging Economic Development:** WTO rules allow developing economies non-reciprocal privileges. |

**Analysis of Regional Regimes**

(1) An Outline of the Development of Regionalism

“Regionalism” is an international relations theory that emerged at the end of the Second World War and during the Cold War. It aims to safeguard the interests of the state itself and its surrounding region. Regionalism was very popular in the early Cold War period, but found itself neglected after the end of the Cold War until the rise of globalization in the 1990s and delays in WTO multilateral trade negotiations made regionalism once again a dominant approach in international trade negotiations and cooperation.

The development of regionalism emerged from member states within different regions. In order to pursue common interests and avoid war, states pursued mutual interests through economic integration, and political and security cooperation. In particular, in the years after the Second World War, regional integration models based on economic cooperation in order to stabilize regional peace and increase economic prosperity began to appear more frequently. In other words, the development of regionalism began from regional integration.

Regional trading arrangements (RTA) were the basis for preferential
trading arrangements (PTA) between regional partners. These arrangements affected trade within region, which was subject to lower tariffs than trade with countries outside the region. As a result, transaction costs fell and profits from trade rose. In terms of the level of regional integration, we can identify five different stages from loose integration to tight integration: (1) Preferential trading arrangements: Tariffs and barriers to trade between members are reduced, while higher tariffs are maintained for non-members; (2) Free trade agreements (FTA): Completely eliminates trade barriers between members, but members may still choose to maintain trade barriers against non-members; (3) Customs Union: Aside from agreement between members to eliminate barriers to trade, they also agree common external tariffs and trade policy; (4) Common Market: Aside from the removal of barriers to trade in goods, other factors of production including labor and capital are allowed to move freely between members; (5) Economic Union: The highest level of economic cooperation, based on the framework of a common market, with members adopting common fiscal, trade, and economic policy, as well as a fixed exchange rate, and moving towards a common currency and single monetary policy (Mansfield & Milner 1999:590-591).

To summarize, the integration path of regionalism differs significantly from that of globalism. In response to the maturing of the objective conditions of globalization, organizations based on globalism develop rules for the global economy premised on the development of a single global market. This top-down process seeks the support of states in order to achieve the ultimate objective of global economic integration. In contrast, regionalism is based on the demands of countries within a particular region. Under regionalism, countries promote cooperation at the political, economic, and even military levels in the hope of mitigating against conflict. Clearly, regionalism emerged through a bottom-up process. However, it is worth noting that the ultimate goal of this bottom-up development is not the development of globalized international regimes that cross regional boundaries, but instead seeks “regional political and economic alliances.” In other words, the core proposition of regionalism is regional prosperity rather than global integration.

(2) Organizational Principles of Regionalism

a. The Concept of Regionalism

According to the definition of Bhagwati and Winters, the concept of regionalism refers to the preferential reduction of trade barriers between a few countries within a narrowly defined area. However, these countries do not have to be geographically contiguous. In other words, its focus is on preferential treatment for countries within a more narrowly defined area, and it is not extended to all the countries within the global trading system (Bhagwati 1993:22-57; Winters
1996). Clearly, the emergence of regional frameworks is based on the need for countries to expand the scope of their international trade and capital in order to achieve domestic economic growth and improved standards of living. In contrast, since rules and norms under global regimes are too vague and broad, and are unable to take into account the micro-economic level in each country, they do not maximize national economic welfare. In response to these two conflicting ideas, countries hope that smaller regional alliances can help achieve substantive benefits in international trade while also resisting the pressures of global competition.

Generally speaking, states are motivated to pursue regional integration for the following reasons: (1) Avoid dumping of goods by other countries: protecting the price of domestic goods, in order to avoid damaging the price levels of certain goods domestically; (2) Protect uncompetitive industries: these may be infant industries in their early stages or key industries that the government has invested in or subsidies (Lairson & Skidmore 1997:200-202); (3) The redistribution of income: protectionist policies can be used to redistribute income and prevent a widening wealth gap; (4) Balance of trade: protectionism can prevent unbalanced trade; large volumes of imports and exports can generate significant problems for the market (Frieden & Lake 1999:332-333); (5) Influence of the international structure: multilateral or bilateral structures can be extended to protectionism; (6) Political elites in developing countries often look to form alliances with developed countries in order to access economic resources and enhance domestic legitimacy.

b. Principles of Regionalism

Looking at the elements of regionalism above, it seems that “regionalism” is no different from “national protectionism.” The biggest difference is that the main actor in regionalism is no longer individual states, but instead a protectionist alliance between different states. The strength and the scope of protectionism under this framework is dependent on the closeness of the alliance. Generally speaking, the essence of regionalism lies in protectionist policies directed towards non-member states. The following dimensions of regional regimes can be identified (Sung 2007:72-83):

(i) Impact of Regional Trading Arrangements

In international relations, states find themselves in a “prisoner’s dilemma.” Since countries are worried about being excluded from trade agreements in other regions, they will establish regional trading arrangements within their own region. These arrangements can promote trade liberalization and harmonization of tariffs between members. However, these arrangements do not apply to countries which are not members. Countries outside the
regional regime are excluded, even if they are located in the same region. Under the framework of regional trade agreements, with the expansion of the level of regional integration, regional organizations have assumed broader policy responsibilities, including: (1) Joint increase of tariffs by regions: Regional organizations adopt a high tariff policy for imports from outside the organization in order to protect goods produced by members; (2) Quota policy: Regional organizations have the ability to engage in collective bargaining, jointly imposing quotas, anti-dumping measures, voluntary export restraints (VERs) and import restrictions on outside imports, providing appropriate protection for the industries of members (Chen 2004:58-59).

(ii) Regionalization of Foreign Direct Investment

After regional economic and trade organizations have taken shape, the political and economic interests of members demand that regional organizations are strengthened in terms of both economics and trade. Based on this, when making foreign investment decisions, member states will give priority to relatively weak economies within the regional alliance in order to enhance the economic strength of the region as a whole and as well as their own influence within the regional organization. However, at the same time as “investment creation” in weaker members, investment crowding out will also produce the negative consequence of “investment diversion.” This means that when making investment decisions, countries will consider regional integration over economic indicators, adversely effecting countries outside the region who also require investment. Using the example of the European Union, starting from the European integration of the 1990s, the European Union has expanded its membership to the east. Due to the poor economic condition of Eastern European countries, most foreign direct investment (FDI) from EU members has been concentrated in Eastern Europe to assist its economic development and to enhance overall economic conditions. This allows countries that have recently joined or who plan to join the EU to speed up their economic development. In contrast, due to the effects of regionalism, the EU is unable or unwilling to commit significant FDI to developing countries elsewhere.

(iii) Most Favored Nation Treatment

Generally speaking, members of regional organizations are also WTO members, and are therefore obliged to follow WTO rules. Under the principle of non-discrimination, when a bilateral agreement is reached between two members to reduce tariffs for a certain product, this treatment must also automatically be extended to all WTO contracting parties (CPs). This mechanism could be described as the only pathway to link regionalism and globalism. In other words, since states frequently have two identities, regional organizations lack
discretionary space on items such as tariffs that are subject to WTO rules.

(iv) Non-tariff Barriers

Non-tariff barriers (NTBs) refer to measures used by regional organizations aside from barriers to create potential barriers to import of goods from countries outside the organization, reducing the competitiveness of outside goods in the internal regional market. The most common specific policies are: (1) Technical barriers to trade (TBT): Regional organizations seek to standardize internal product specifications, or set establish inspection standards that are completely different from established international practice (this normally applies to agriculture and livestock), causing difficulties for outside countries or industries wishing to enter the internal market; (2) Rules of origin: Countries try to ensure that a certain proportion of the production process is carried out in the country from which the import was authorized in order to abide by rules for free trade. However, through the collective action of regional organizations, these regulations can be set in a way in a way that acts as a technical barrier to imports from outside the organization. At the same time, with the consolidation of regional organizations, the scope of product origin can be expanded to the whole region, allowing rational cost savings and increasing the international competitiveness of regional products (Stiglitz 2007:119-126).

(v) Contingency Relationships in New Regionalism

The past development patterns of regionalism was based on the spirit of “reciprocity” with related international trade agreements. Two or more parties reach agreement on conditions of trade in order to achieve the best possible spillover effects. Subsequently, with the growing development of regionalism, the initial trade orientated regional cooperation gradually extended to cover political, economic, and even social integration.

With the scope of negotiations expanding, regional integration models also began to change. Under the integration logic of new regionalism, conditions of trade are no longer the only consideration. The principle of reciprocity emphasized in the initial period of regional integration also gradually shifted to a bargaining model based on supply and demand, with major features as follows: (1) Unequal power relations: New regionalism is no longer based on the principle of reciprocity. Therefore, when signing cooperation agreements with more powerful countries, weaker countries are forced into making more concessions.

In reality, in order to secure access to the vast markets of major countries, small countries are force to make political or economic side payments, with large countries only loosing the right to retaliation against smaller countries. As a result, large countries gain dominant positions in regional organizations.
(Breslin 2007:26-51); (2) Development of the System of Regional Hegemony: For example, Robert Gilpin and David Lake believe that the fundamental reason for the rise of regionalism is the decline of the hegemonic stability of the international system, leading states to look to integration through regional organizations as the core of a new regional hegemony, reconstructing the international trade system (Gilpin 1987; Lake 1988).

Under this thinking, regional hegemons are given greater regional power from original trade issues, to political issues, foreign affairs, and even regional security, securing the well-ordered operation of regional organizations. (3) Open Regionalism: In contrast to traditional regionalism, new regionalism is not confined to geographically defined areas. Instead, any country that is willing to comply with the rules of the organization, or which the regional organization believes will be beneficial to the organization, may be included in the organization (Whalley 1996; Perroni & Whalley 2000:1-24).

After analyzing the items above, as with the global regimes in the preceding section, we organize the main concepts of regional regimes according to their characteristics as shown in Table 4.

**Table 4 : Concepts of Regional Regimes**

<table>
<thead>
<tr>
<th>Regime Category</th>
<th>Content of Regime</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligibility</td>
<td>From an analysis of actual cases, regional regimes typically have the following three types of actual eligibility criteria: (1) Actual sovereign state; (2) Geographical proximity to the region; (3) Contribute to the regional development of (global) hegemons.</td>
</tr>
<tr>
<td>Regime Principles</td>
<td>Generally speaking, decisions that involve the affairs of the entire organization still require unanimous or consensus decisions. However, most decision making occurs through bilateral negotiation between two member states, or between a member state and the organization. Therefore, the regime only provides a space for negotiation, with actual decision making taking place within a bilateral architecture. However, with the development of “new regionalism,” regional regimes are increasingly becoming institutionalized under the dominance of regional hegemons.</td>
</tr>
</tbody>
</table>
| Fundamental Spirit and Principles | 1. **Regional trading arrangements**: Liberalization of regional trade and harmonization of tariffs.  
2. **Preference for investment within region**: Member states prioritize regional development in external investment decisions rather than thinking at a global level.  
3. **Most Favored Nation Treatment**: WTO requires that all bilateral agreements reached between two members must be extended to all members.  
4. **Non-tariff Barriers**: Standardization of products within the region, forming invisible barriers to outside imports.  
5. **New Regionalism**: Expanding scope of regional cooperation, dominance of large countries emerges, non-reciprocal bilateral negotiations become the norm. |
c. Evaluating the Justice of Global and Regional Regimes

Based on our analysis of global and regional regimes, we use the criteria for assessing the justice of international regimes (1) the principle of equal qualification; (2) the principle of equal opportunity, and (3) the principle of difference to assess the differences in justice for the two types of regime. Since the two types of regime have a different scope (globalism covers the entire world, while regionalism only covers individual regions), to produce the same reference point for comparison, we limit the comparison to the regional level. In other words, we look at whether within a particular region, regionalism or globalism more closely fits the principles of justice. This comparison is outlined below.

(i) First Indicator of Justice: Principle of equal qualifications

As previously defined, the standard for measuring the “principle of equal qualifications” is broader qualification criteria for recognition of an international actor indicates that an international regime is more consistent with the principles of international justice. For global regimes, the key qualification for membership is acceptance of the relevant norms of the organization. In other words, as long as an entity is willing to follow the norms of the WTO regime, even if it is not recognized as a sovereign state (such as Taiwan), it can still join the regime. In contrast, in order to qualify for membership of regional regimes, it is necessary to be a sovereign state or collectively recognized by the member states of the regional organization. As regional organizations move towards integration across many different areas, such requirements go beyond merely trade considerations. In view of this, a comparison of global and regional regimes clearly shows that the eligibility requirements for global regimes are broader, making such regimes more compliant with the standard for justice established in this study.

(ii) Second Indicator of Justice: Principle of Equal Opportunity

For the “principle of equal opportunity,” when regimes offer wider opportunities for participation, or have participation mechanisms tend that towards greater fairness, this indicates that the regime more closely satisfies this criterion for justice for international regimes. For global regimes, unanimity as a basis for decision making gives all members effective veto power in the decision making process and equal decision making authority regardless of their size. The establishment of the most favored nation treatment allows trade policies to be applied multilaterally to other countries and achieve the principle of non-discrimination. In contrast, for regional regimes, although the decision making model is similar to globalism, because it is based on a bilateral architecture,
negotiations between two countries on trade preferences in cases where there is a lack of transparency over the negotiations, although the outcome these negotiations must comply with WTO rules, there may be a difference between bilateral trade commitments and the treatment of other countries in terms of trade. In short, although the decision making mechanisms under globalism and regionalism both give members fair opportunities to participate, during the actual conduct of bilateral and multilateral negotiations, global regimes are more closely aligned to standards of justice.

(iii) Third Indicator of Justice: Principle of Difference

For the “principle of difference,” we look at whether the regime gives priority to the interests of the worst off. For global regimes, as has been previously discussed, in terms of basic principles of operation, the principle of “encouraging economic development” allows developing countries non-reciprocal privileges based on their gap in development with developing countries. In other words, the first priority is members who are faced with relatively unfavorable conditions for economic development, satisfying the principle of difference. In contrast, while regional regimes apply “preference for investment within the region” in the hope of spurring the economic development of weaker countries, apparently satisfying this standard of justice, further analysis shows that while in global regimes, support mechanisms for weaker countries comes from the explicit rules of international regimes, in regional regimes, control over investment priorities is in the hands of a few more developed countries. Although this can help spur the development of less developed countries, based on a realist considerations, countries will only engage in direct investment when it is in their national interest. Therefore, comparing globalism and regionalism we find that globalism clearly incorporates the principle of difference into the regime itself, whereas the principle of difference under regionalism is entirely dependent on the investment decisions of advanced member states towards other regional partners. Clearly, globalism is more closely aligned with this principle of justice.

To conclude, we find that globalism is consistently more compliant with the three principles of justice that regionalism. In other words, if we look at international political and economic development from the dimension of moral rightness, integration through global regimes is clearly superior to that of regional regimes. We summarize these assessments of justice in Table 5.
Table 5: Evaluating the Justice of Global and Regional Regimes

<table>
<thead>
<tr>
<th>Principle of Justice</th>
<th>Global Regimes</th>
<th>Regional Regimes</th>
<th>Assessment of Justice</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Principle of Equal Qualifications</strong></td>
<td>Provide that regime norms are supported and followed, status as sovereign state or approval of hegemons is not required</td>
<td>Qualification is dependent upon the collective recognition of member states</td>
<td>Participation in global regimes is based on willingness; eligibility is wider</td>
</tr>
<tr>
<td><strong>Principle of Equal Opportunity</strong></td>
<td>Unanimous multilateral decision making, and MFN treatment, ensuring non-discrimination</td>
<td>Bilateral trade negotiations, lack of transparency and possibility of “fake” MFN treatment</td>
<td>Multilateralism in global regimes gives members more open and equal opportunities for participation</td>
</tr>
<tr>
<td><strong>Principle of Difference</strong></td>
<td>Principle of “encouraging economic development” reduces burden on developing countries, model allows non-reciprocity</td>
<td>“Preference for investment within region” promotes development of less developed countries</td>
<td>Globalism incorporates principle of difference into the regime itself, while the principle of difference in regional regimes relies on the investment decisions of advanced members</td>
</tr>
</tbody>
</table>

Remark:
1. This Table organizes the discussion in the article. The focus is on comparing the eligibility and distribution of benefits for globalism and regionalism.
2. The configuration of regionalism: Each region has a different mode of integration—in some cases the objective is simply economic and trade cooperation, in some cases the objective is regional security, and in some cases the trend is toward political integration. However, the regionalism discussed in this article takes a macro-normative approach to compare the justice of regionalism with globalism, rather than discussing individual regional organizations.

Conclusion: External Factors Influencing Justice in Global Regimes

To sum up the arguments made in this study, although our research findings show that the development of global regimes under globalization is in line with the evaluation criteria for justice, we still need to further explore why, despite this, in terms of their actual development, many people question whether global regimes satisfy the conditions of justice. What is the cause of this gap in perceptions? In this regard, we argue that having established that global regimes satisfy the principles of justice, external factors outside of the regime may be blame for the emergence of injustice. We argue that two factors may explain this injustice: (1) Injustice in the three major regimes for the global economy; (2) Change in the role of international hegemons. Here we lay out these two factors as a direction for future research.
(1) **Injustice in the three major regimes for the global economy**

Although this study has shown that the WTO as an international regime satisfies the standards of justice, aside from the WTO, major global institutions include the International Monetary Fund (IMF) and World Bank (WB). As Joseph E. Stiglitz has shown (Stiglitz 2002), the structure of decision making power in the IMF and WB is based on the proportion of the organization’s funds contributed by each member. In other words, the advanced Western countries are able to dominate these two major international regimes. When other countries seek loans or financial aid from these organizations, they must first carry out domestic reforms to meet stringent standards established by the regimes. This is often controversial domestically, causing significant opposition to these international regimes. In short, the triangular architecture of international economic regimes (WTO, IMF, WB) has led to continuing structural issues in global regimes.

(2) **Change in the Role of Hegemons**

According to the theory of hegemonic stability (Gilpin 1987:72-80), when there is a hegemon in the international system, this hegemonic power will try and expand its economic power to different levels of the international system in order to maximize its own national interest. Given this, in order to achieve economic development under international anarchy, it will try and construct a stable international regime in order to consolidate its development. However, after this international regime has been established, its spillover effects such as lower transaction costs, maintenance of international security, and a stable international monetary system act as an international public good that also benefit other countries, moving the world towards this trend in global integration. However, due to domestic factors, the global influence of hegemons has gradually declined, meaning that their original leading role in providing public wealth has evolved into “predatory hegemony.” In other words, the predatory hegemon will use its own strengths to escape from the framework imposed by the existing international regimes, and pursue unbridled development in accordance with its own national interests. Therefore, the original justice sustained by international regimes breaks down due to the condition of international anarchy, before again showing signs of revival.

In order to resolve international injustice, these two external factors are clearly a priority. As a possible solution, we apply Rawls’s “veil of ignorance.” The “veil of ignorance” can be described as the principle of justice in the initial state. Rawls hopes that, when all individual endowments and external social conditions are excluded, each individual can construct the principles of justice possessing the ability to distinguish good from evil and a basic understanding of fundamental interests. We extend this concept to
actual international society: in order to construct an international regime that satisfies the requirements of justice, each country must exclude considerations of its actual strength in the real world, and to prioritize the interests of the weakest members of international society. By doing this, the operation of the international system will be more in line with political and moral values of justice. Simply following the principles of power in realism as basis for regimes will only move international society further away from the principles of justice and back to a chaotic state of nature.

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