

Abstract

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Regional arrangements serve as an exception to the multilateral system and like the multilateral mechanisms, are resulted from the increasing economic interdependence of the international community or globalization. One of the purposes of regional arrangements is to provide a choice to the parties concerned for maintaining special relations among themselves. History shows that regional arrangements may be formulated by the countries that are geographically adjoined, have close economic ties, share similar culture and tradition, etc. Recent practice proves, however, that geographic adjacency is no longer a necessary condition for regional arrangements. Countries from different continents may form a regional arrangement. This became possible due to the fast development of science and technology especially information, communication and transportation technology. Another feature of the contemporary regional arrangements is dual membership of multilateral organizations and regional arrangements as well as dual membership among regional arrangements.

As an exception to the multilateral mechanism, contribution of regional arrangements to the liberalization of trade was recognized in the GATT era. After the establishment of the WTO, more and more regional arrangements have been established, which include not only free-trade areas and customs unions but also bilateral closer partnership arrangements covering economic, trade and investment sectors. The status of regional arrangements has also been confirmed in the WTO practice.

On the whole, the principal differences between current regional arrangements and those established earlier lie in the form and mode of cooperation and the nature and degree of integration among the members. In a broad sense, however, both contemporary and traditional regional arrangements are, like multilateral organizations, commensurate with globalization. The difference between regional arrangements and multilateral organizations is mostly in the number of constituent members, although the degree or nature of economic cooperation or integration among members is also an important distinction.