

GLOBAL GOVERNANCE AND REGULATORY STATES IN THE PRESENT PHASE OF INTERNATIONALIZATION: IMPACTS OF PRODUCT MARKETS REGULATIONS

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ABSTRACT

One is often tempted to associate the present phase of diffusion of economic liberalism with a universal retreat of nation states from economic activities. Such moves would benefit the other actors of global governance i.e., multinational firms, international institutions and civil society organizations (CSOs). This simplification may be misleading however as it fails to recognise a change in the role of nation states in the organization of markets which has significant impact on how economies function and internationalize their activities. Nation States have indeed been largely induced to retreat from direct interventions in economic activities, be it by means of public enterprises or by means of taxing and/or subsidizing products. The notion of the regulatory state encapsulates more adequately the change in the role of the state in the economy. Relying for some parts on expertise from technical centers or civil social organizations, governments are led to arbitrate between the conclusions of the experts and the will to avoid detrimental shifts in their market shares. These arbitrations are at the core of the activities of regulation carried out by the regulatory states. This way to proceed has specific implications for the internationalization of products markets. It goes beyond the issue of reducing or increasing taxes. Countries' cultures and

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idiosyncratic practices matter as well as their market power as regards the stands they take on product market regulations. These dynamics of market regulations are thus worth studying to characterize the ways in which competition between product markets occurs. The question has become crucial with the steady rise of the challenges of environmental changes. The paper aims to specify how regulatory states operate and how their specificities evolve over time. All of this is an important means by which to feature the working of internationalized product markets and assess the room for manoeuvre left for environmental policies.

KEYWORDS: *product markets, regulation, internationalization, nature of the State*