



HELSINGIN YLIOPISTO

Department of Geography  
Faculty of Science

# Globalisation from global and local perspectives

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## Creation of new regions in the process of globalisation

By: Francois ROSE

## **Introduction**

Globalisation has become a catch all term to explain a multitude of changes in the last part of the twentieth century. In this essay I wish to focus on the emergence of new forms of regional space. One definition of globalisation is that it is a process by which places and institutions become integrated into a system that has global dimensions, and from a geographical perspective two fundamental aspects of the process are scale enlargement in the spatial basis of organisations and institutions; and increasing levels and intensity of interconnection across international boundaries. The former, for example, includes the growing role of trans-national corporations and supranational economic regions, while the latter, for example, includes the emerging system of world cities. Discussions on globalisation quite predictably have dwelled upon the macro scale, but there has also been discourse on the micro scale, seeking to examine local impacts and local responses. The slogan "think global - act local" captures some of the close relationship between the two scale. In this essay, I will try to focus on the regional scale arguing that globalisation is encouraging or facilitating the formation of new regions.

In several countries, increasing attention is being given to regional government. For example in France, one of the most centralised European countries, decentralisation is one of the main target for the policy makers since more than 20 years. To some extent this is due to the continuing tension between decentralising and centralising pressures that is characteristic of governmental systems in all democratic states. However, there are other forces at work, wholly or partially related to globalisation, that are strengthening the justification for regional government, and in this regard it is possible to argue that there are new regional spaces being created, three types of which are trans-national regions, metropolitan regions, and sub-state nationalism regions. Not all are new concepts, but they all do have a newness stemming from their emerging significance in the world system. Thus, I would argue, trans-national regions are new in terms of concept, spatial definition, and importance. Metropolitan regions are new in terms of spatial definition and importance. And sub-nationalism regions are new simply in terms of importance.

## **Trans-national regions**

"Today nation states are too small to control and direct the global flows of power, wealth and technology of the new system dominated by the firms, and too big to represent the plurality of social interest and cultural identities of society thus losing legitimacy both as representative institutions and as efficient organization. In this sense the globalization of capital markets, markets for goods and production facilities makes it ever more difficult for nation states to exercise any effective economic policy. As a reaction against this, the states have begun to build supranational political or para-political institutions that are intended to correspond to the global sphere of operation of financial flows and Multinational Corporations" (MNC) (Borja 1997: 5).

Trans-national regions are made up of parts of two or more adjoining states. They are a relatively new phenomenon since their formation is possible only where international boundaries have been eroded. This is usually a consequence of supranational economic integration, and so they are most commonly found in Western Europe and in North America, and are beginning to emerge in South America and Asia. The main goal for the formation of these regions is economic. By pooling the resources and coordination development strategies of peripheral parts of two or more states, it is hoped to create an entity that has a higher profile and greater visibility on the supranational economic map than any of the constituent parts previously had on their respective national economic maps. The formation of such regions changes economic space in several ways: for example locations that were formerly close in physical distance but far apart because of the barrier effect of an international boundary are now brought closer together, and the spatial context of economic decision-making is changed, for example whereas previously the external perspective was directed towards the centre of the respective national economic systems.

If trans-border regions are to fulfil their potential, however, there is a need to create administrative frameworks that facilitate their internal spatial integration and provide a means of representing the region as a whole with regard to inward investment and in relations with higher levels of government. The main challenges in this respect stem from the difficulties involved in coordinating the activities and efforts of local and regional government from different national systems, the fact that there may be significant socio-economic and cultural differences between the territorial components of the region, and the fact that the presence of an "uneven playing field" may allow MNC's to play off the local and regional government of one state against those of another. These challenges are most

formidable in trans-national regions that bring together unitary state and federal state governmental systems or centralised and decentralised governmental structures, or where there are linguistic differences or a history of mutual distrust or indifference. The firms see the emerging regional entity as a means to exploit the weaknesses of local governments and agencies and to reduce the "playing field" to the lowest common denominator in terms of the regulatory and tax environments. The former was one of the goals in the creation of the MERCOSUR in Latin America.

If the economic integration of a trans-national region proceeds as envisaged by those who advocate and initiate such regions, and if a truly regional administrative framework develops, an interesting question for speculation is as follows: is it possible that the degree of internal cohesion can develop to the point that it outweighs the ties that bind each part of the regions with the rest of its respective state? Put another way: is it possible that the external boundary of the region will become more significant than the international boundary that is now internal to the region? Presumably, as the various business interests in a trans-boundary region discover new "neighbours" and these subsequently become "partners", and as local governments find themselves having more mutual interests and shared concerns with local government across the international boundary, there comes a time when the various actors in the region begin to push for a regional body that reflects the developing reality, and which has the potential to become a form of regional government. It's particularly relevant today for the European Union. The implications of this for central-local intergovernmental relations in each of the states involved are profound, as are the implications for their territorial integrity.



*Main trans-national regions in the world*

## Metropolitan regions

Unlike trans-national regions, metropolitan regions are not a new concept, but they are new in the sense of size and form, and in terms of importance in the global economy. In the last few years the idea of metropolitan region has taken on new meaning as a result of changes in the structure of metropolitan areas and the growing importance of metropolitan economies in the world system. In terms of structure, there is a trend away from the traditional single-centred metropolitan area to a multi-centred one, in which activities formerly characteristic of the core area are developing at other locations, sometimes at the periphery. As a result the new metropolis is structured around several concentrations of economic activity, and the core area is no longer necessarily primate. Further, there are strong communication flows and movement patterns converging on all these concentrations, and the traditional radial pattern of daily commutes is giving way to a more complex and diffuse. At the same time, the scale of metropolitan development is increasing, and the veneer of urbanisation associated with each metropolis is covering a larger area. In terms of economic importance, the situation has

changed from one in which it was felt that cities were becoming helpless in a globalisation game directed by trans-national corporations, to one in which large city regions are becoming influential players in the game. Indeed, some argue that such regions will become the primary spatial units of a "metropolitan" global economy especially as nation-states appear to be declining in relative importance.

These emerging metropolitan structures and economic orientations give support to efforts to develop new forms of metropolitan government. The new structure and size call for jurisdiction over a much larger area than in the past, and the scale is more regional than local. The metropolitan government has traditionally been viewed as a form of local government, with metropolitan authorities taking the form of super municipalities. Today's circumstances call for metropolitan government to be considered as a form of regional government and as an intermediary between municipalities and the global economy. The new role of metropolitan regions call for a mix of governmental competences and powers that stress and ability to manage and develop the region's resources in a way that enhances competitive advantage in a global context: at the same time metropolitan-regional government must have the capacity to manage responses to global economic forces. The main challenges for such governments are related to strategic planning, competing for economic growth, provision of infrastructure and attractive living and working environment, sustainable urban development, and dealing with the intra-urban effects of economic restructuring and global city formation.

A major problem of course is that the right combination of size and competences makes potential rivals for higher level governments: in small states, national governments are reluctant to create large powerful metropolitan governments, and in larger states provinces and other intermediate level governments often obstruct and undermine large-scale metropolitan government. Arguably, however, it should be easier to accommodate the governmental needs of metropolitan regions as a new form of intermediate level government than by trying to force these needs into the local level as a new form of municipality. Thus, in Toronto, for example, a mid 1990s review of governmental arrangements called for replacement of the aging Metro Toronto metropolitan municipality with a Greater Toronto Area metropolitan regional government having jurisdiction over then times the size but with a slimmer mix of powers and competences related mainly to meeting the new challenges of the global economy. In France, in the "Alpe Maritime" region (south of France), the three metropolitan regions (Agglomeration Community, CA of Sophia Antipolis, CA of Nice cote

d'Azur and CA of moyen pays provençal ) have been join to create the Urban unity of Nice.  
It's today the fifth metropolitan region in France.



*Agglomeration community of Alpes Maritimes  
(red lines)*



*Metropolitan region of Nice  
(red lines)*

## Sub-state national regions

Regions based on sub-state nationalism are new in the sense that they are taking on greater economic and political importance and are becoming more visible on the global map. In an age of global market and of growing orientation on knowledge in the economy, regions can offer specific competitive advantages. Thus for some time now, regions such as Catalonia (Spain) and Flanders (Belgium) have enjoyed new strength and visibility in the integrated space of the European Union.

A distinctive feature of this type of regionalism is the intertwining of secession, decentralisation. Impetus for strengthening these regions derives from cultural differences that give rise to a desire for statehood, thus providing a successive force, while the state usually seeks to accommodate the region by means of administrative decentralisation and

political devolution. In the past the balance between secessionist tendencies and state accommodation has been tipped in favour of the latter, usually because of size and scale requirements in relation to the economic viability of potential new states. Today, however, with globalisation reducing the importance of states as economic spatial units and increasing the importance of supranational economic space, it is becoming more plausible for such territories to create a political niche in the global system.

However, it probably remains unrealistic that every sub-state national group will achieve secession, simply because of the potential number of new states that this would entail, and so it is reasonable to assume that in most cases the realistic goal is new political arrangements within existing states: But the removal of what might be called the economic viability barrier to secession means that accommodations on the part of existing states will likely lead to more decentralisation and devolution than envisaged in the past.

Although administrative decentralisation plays a key role in such accommodations, there has to be much more. There has to be an evolution of political power, and a concomitant degree of independence, to the extent that there is existing a "shared sovereignty" situation between the state and the region. The emerging regional government entity is one that has the objective of building a mini state, or a state within a state, and as a result competences and powers related to culture play a more important role than in a simple regional decentralisation situation. Major challenges facing such governments therefore are those traditionally associated with state formation and nation building, and they involve the protection and preservation of cultural and social differences vis-a-vis the rest of the state. Powers over such matters as language legislation, education, and immigration are of particular importance. Indeed it is not unrealistic to argue that such regional governments should aspire to having control of virtually all the instruments of national government with the exception of defence and foreign policy.

In some ways, a federal state structure can more easily accommodate such regional government than can unitary state structure, but each of these is problematic. In a unitary state there are difficulties associated with the novelty of the situation and the need to invent a form of regional government that has some autonomy from the central state, and there is the issue of whether or not to create a lesser devolution of competences to other regions of the state. Thus, in the United Kingdom, for example, the current devolution proposals for Scotland and Wales have opened up a serious debate on the formation of regional governments in England. In a federal state, the basic framework for devolution may already

exist, but a major problem is that even if the central government is willing to devolve competences to one of its component parts to accommodate secessionist aspirations, there tends to be a reluctance on the part of the other component parts to permit such devolution unless all parts can receive the same powers. Thus, in Canada, for example, while the federal government has often been willing to transfer new powers to Quebec, the other provinces have tended to object to special constitutional status for Quebec based on powers and competences that are not equally available to all provinces

## **Conclusion**

These three types of region have come to a new degree of prominence or have taken on new dimensions within the last decade or so, and their emergence as contemporary forms of regional space is closely tied to forces and factors associated with globalisation. In particular the increasing permeability of international boundaries and the creation of supranational economic spaces are providing an environment and a political arena in which such regions can gain strength and flourish. Arguably, all three justify a restructuring of administrative space to accommodate and reflect the new regional realities. Each of the three regions, however, presents a different situation with regard to government and administrative needs and with regards to the challenges and problems to be addressed, leading to different requirements in terms of political-administrative structures and appropriate powers and competences.

It is still too soon to know how far states will go towards satisfying the governmental needs of these regions, but it may well prove to be very unwise for states to ignore these needs. In a globalising world, with emerging supranational institutions and more proactive local institutions, the "container effect" of the state is rapidly diminishing, and it is possible that sub-state governments and other actors in the new economic and political regional arenas that are being formed will, if ignored or obstructed by the state, simply by pass the state wherever possible in their external relations. Nonetheless, all three types of region can be seen as contributing to the "hollowing out" of the nation state, a process that has been noted in many aspects of globalisation, and the dilemma for state governments is how to restructure in ways that minimise a reduction in their own relevance and importance. Presumably, it will be necessary to seek a balance between the aspirations and agendas of the regions and the

territorial integrity and central authority of the state.. The globalising world is one in which the pyramids formed by hierarchical levels of government and administration in a state are becoming less self-contained and are less of a constraint on horizontal and vertical intergovernmental relations; and the challenge for public administration is to devise structures that accommodate this change. The challenge is most apparent at the intermediate level between central and local government. The three types of regions were highlighted in this essay. They present opportunities to devise a variety of responses to that challenge.

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