



RegioneLombardia

Global and local – How to confront the challenges of regional development in Latin America and the Caribbean

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As the President of the Organizing Committee of the IADB Annual Meeting in Milan, 2003, I am glad to introduce the topic of this seminar that will discuss the different approaches to facing the challenges presented by globalization.

Some say that globalization had its decisive date on October 1492 with the landing of Christopher Columbus in the Caribbean. This would coincide with the dramatic beginning of the sudden process of globalization on a continent, that until that point remained isolated from the rest of the world.

Somehow it seems that even today, we are still struggling with the unstoppable globalization process. History has taught us by now that even though we cannot oppose this process, we can - at least - direct it. In order to be effective, the action of the government should not only be based on doctrine, but on real efforts.

In the case of globalization, the negative effects can only be overcome by reinforcing the local strengths. These local strengths are the territories, their specific identities and resources.

Contrary to what could have been expected, the growing interdependence of the economic and financial world did not diminish; it actually enhanced the value and the originality of the local systems.

The local territory is important because:

- It is where knowledge and competences are being developed as a result of a learning process that is based on interactions that cannot be reproduced because they belong to a specific geographic and historic context.
- It is a gathering of economic relations because they are the result of social and cultural values and traditions developed over time;
- It is the place where the local dynamics and competitive advantages meet.

This is the context where the role of the sub-national entities strongly emerges. They know how to take the opportunities offered by the process of economic globalization, thanks to the advantages the system has to offer. Among them are economic efficiency and infrastructure grants, as well as cohesion and social solidarity.

This is why the local institutions have always more strategic responsibilities:

- Local institutions know how to collect and structure the demands of the citizens and direct them to the national and supranational levels.
- Because of their competence regarding normatives, infrastructures and other contextual factors that are key to making more attractive a particular area.

In Europe we have been observing for several decades the increasing power and importance attributed to the sub-national entities. This is due to their capacity to offer a positive framework for the action to economic, and social actors, resulting in a better coordination between the local and global levels.

It is essential to recognize and ratify this role, either by the States, which are currently modifying their Constitutions in that regard, or inside the European integration process.

The big challenges for the European Union are: first, writing a European Constitution and, second, expanding towards the East, which cannot be achieved without emphasizing the cultural and societal roots of the local stakeholders.

¹ Note: This is an unofficial translation of the presentation of Mr. Formigoni at the Global and Local Seminar in Milan on March 22, 2003.

Valorization of the territories and regional integration are also very decisive processes in building governance, within which countries need to find their new role.

The possible solutions for reaching an equal and sustainable development cannot be found at one level only, but in several levels, in close collaboration among global, regional, national and local spheres of action, serving in this way all the social actors involved.

In that sense, Europe represents an important “laboratory” for testing and creating new scenarios. It acts a reference point and a significant partner for Latin America, which has many similarities with our continent.

The challenge of competitiveness in the global market, points out the importance of sharing and exchanging experiences and competences in creating models, in which the economic, productive and trading elements are inseparably connected to the elements of culture, traditional features, social cohesion, human development and quality of life.

In that sense, the more developed European regions like Lombardy, which along with Catalonia, Baden-Wurttemberg and Rhone Alps, forms the network of the Four Engines of Europe, have in their hands the duty to reinforce the cooperation between sub-national entities and European and Latin American networks, promoting the adequate normative framework, and what is more important, to show their own creativity and planning capacity.

The balance between the powerful energy-activated globalization and the uniqueness of the different territories, offers good perspectives for development, not only to the biggest or most powerful ones, but also to everyone, even in the large and often stormy ocean of the global economy.

I wish that these days of joint work and exchange of ideas will give you renewed impulse to a more effective intercontinental collaboration between the European Union and Latin America. Hopefully, this will also happen at the sub-national level, because based on the affinity of our values and civilization, we can develop a better interaction at political, economic and institutional level.

Only through mutual commitment to development, we can contribute to peace.