

Globalisation and Centre-Periphery Relations.
'Dynamics process', 'structural profiles' and 'actors' choices'
for new territorial politics

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'Dynamics process', 'structural profiles' and 'actors'
choices' for new territorial politics**

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1 Introduction: Globalisation and territorial hierarchies

This paper is a theoretical reflection on the role of territory within the context of a globalising world. 'Globalisation' has acquired so many meanings that it is hard to define it in a useful way. In this paper I will use a minimal definition of globalisation as a process of *(nation)-state boundary transcendence*. This transcendence takes place in economy and culture and also in other areas of international regime governance. That is, 'globalisation' points to a process of growing 'permeability' and/or of 'lowering' of the external boundaries of territorial systems and in particular of that specific territorial system represented by the (nation-) state.

In Table 1 I present a scheme of such territorial boundaries that distinguish membership according to different criteria. The table identifies four dimensions of boundary building among units in the economic, cultural, force and politico-administrative domains. Unfortunately, we do not have established names for these different types of boundaries. In order to retain the term 'boundary' for the more abstract concept of 'closure code and rule', one should invent new names to clarify the distinction and to avoid the tedious and continuous repetition of 'cultural boundary', 'economic boundary', etc. Alternatively we could use some of the Latin rich terminology for the same concept.¹ However, these neologisms are rarely

accepted and they often increase, rather than dissipate, misunderstanding. By insisting on the terminological difference I want to underline the fact that one needs to keep these different boundaries as distinct as possible at the conceptual level.

(Table 1 about here)

The process of market building and the formation of economic boundaries have their focal point in the openness of transactions in a given geographical area and in the necessary correlates of property rights agreements, exchange options and factor mobility. The cultural boundaries define a membership space characterised by the traits of the inhabitants (language, religion, ethnicity, national identity, etc.). In principle, as we know, cultural identities are not necessarily concentrated geographically. However, I am interested here in the vast majority of historical cases in which some sort of territorial concentration and the cultural identity of the individual is defined and reinforced by the continuous interaction in the geographical space with the cultural equivalent. The 'force' boundaries define that geographical space within which a single central authority exercises its ultimate right to the physical coercion of the subjected population. The politico-administrative boundaries identify those primarily legal boundaries that differentiate among different functional regimes and regulatory systems such as educational systems, welfare regimes, labour markets, courts' jurisdictions, etc.

It is difficult to think of these boundaries as analytically distinct for a variety of reasons. The first and more obvious is that our daily experience and our historical memory refer to a situation of large, if not complete, overlap of these different boundaries. The modern nation-state successfully integrated these boundary-building processes. Nation-states are characterised by boundaries that are simultaneously military, economic, cultural and functional. Crossing the boundary of the state one passes, at the same time, into the *imperium* of alternative extractive agencies, into a different economic market, into a different cultural community and into a different set of functional regimes as educational systems, welfare state, legal jurisdictions, and so forth. This (territorial) coincidence of different type boundaries has been their distinctive trait -- which distinguishes them from earlier or different forms of *politische Verbände* -- and their legitimacy principle. The modern nation-state is based, therefore, on a collectivist criterion of exclusion meant to monopolise certain advantages for the members of the state groups, in various but coinciding functional areas, along which citizens' rights and obligations are sharply distinguished from

the rights and obligations of 'foreigners'. Such type of state may be subject to the decline of this collectivistic exclusion and become more universalistic.

The second reason why it is difficult to conceive these boundaries as separate is that, while we can easily construct the ideal type of their coincidence -- i.e. the ideal type of the sovereign, unitary, autarchic and culturally homogeneous state -- we find it difficult to identify pure cases of each type of boundary. The primordial hunter-gatherer community had primarily cultural boundaries, as kinship links set almost insurmountable barriers to externals in all fields; but for long time it did not possess a distinct territoriality. Those 'imperial' territorial hierarchies that encompassed different cultural groups and included substantially closed different market areas represent a pure force/coercion/extractive boundary. The Roman Empire had a clear perception of where its *limes* -- its military borders -- lay and where its *civitas* -- Roman citizenship -- ended. Furthermore, between *limes* and *civitas* there were several additional intermediate borders, for instance the politico-administrative borders of militarily subject populations that were left to run their internal matters according to their traditions and rules. Pure market boundaries existed beyond political administrative borders in those free-trade areas that encompassed city networks, such as the Hanseatic League, within which the respect of basic economic rights was guaranteed across cultural, military, and politico-administrative borders.²

The third reason is that when we analytically separate these boundaries we are left with no names to indicate the situations of their non-matching. These lacks of coincidence have existed, and will continue to exist even if we are not able to properly label them. More precisely we are familiar and we are able to label the situation of areas and/or groups for which force/coercion and politico-administrative territorial claims are incongruent with cultural identities: we call these 'cultural peripheries' and we distinguish between them as 'external', 'enclave' and 'interface' cultural peripheries -- according to whether the cultural stigmata defining the area or group find support across the politico-administrative border or not -- or 'enclave cultural peripheries' -- whether they are surrounded or not by the central dominant cultural community.³ It is more difficult to conceive and label those situations in which economic and politico-administrative borders or economic and cultural borders do not coincide: the case in which economic rights are spread across a politico-administrative border -- that is, a territory in which politico-administrative rights are incongruent with the economic rights and transactions; and the case in which cultural identities are incongruent with economic markets rights -- that is, a territory in which

community membership space is incongruent with economic transactions and rights.⁴

Along each of these territorial boundaries the development of rules and codes of closure may set boundaries or their decline may remove boundaries. At the same time, new technologies for exit may actually force the removal of boundaries. In short, for each dimension exit options and boundary building interact. In Table 1,⁵ the type of exit options and boundary building are summarised for each main subsystem.

These boundaries define sets of cross-boundary transactions and sets of control measures. The (potential) units of these transactions and control in different subsystems are goods and services, corporations, physical persons, messages, territories and even 'roles'. For each subsystem one can identify potential exit options and, at the same time, boundary building mechanisms. As specific 'technologies' for exit may continuously develop, they generate pressures on existing boundaries. On the other hand, history also provides a continuous invention or re-invention of boundary building mechanisms.

Having clarified my use of the concept of boundary building and boundary transcendence, I can move to a slightly more operational definition of 'globalisation' for the purpose of this paper. Globalisation is a process (whose roots, and causes do not interest us in the economy of this paper) with the following key effects:

1) globalisation considerably expands the capacity of intra-state institutional (e.g., local-regional governments), collective (functional and membership groups), and individual (firms, corporations, individuals) actors to access external, extra nation-state, resources.

External 'resources' that become increasingly accessible are of three types: a) *regulation* resources, *jurisdictional* resources, and *material* resources. That is, against the regulations of their state territorial hierarchy, actors can access and invoke regulations issued by extra-state international, cross-national or regional hierarchies (be it the EU, the WTO, the variety of other more or less institutionalised international regimes setting standards and more or less binding relations). Against the jurisdiction of their territorial state, actors can invoke the arbitration of international or regional courts and judicial regimes. Against the potential limitation in access to state material resources, actors can autonomously access international financial markets, rating agencies, mobile capitals, etc.

2) globalisation considerably reduces the capacity of state and territorialized hierarchies to autonomously set and modulate the level of boundary transcendence in the economy, cultural, administrative and even coercitive domains.

As a result of the growing accessibility of external regulatory, jurisdictional and material resources, the policies of territorialized hierarchies (nation-state political authorities) must be based on the principle of anticipated reactions of the potentially mobile actors and are strongly bounded by the potential costs of those exit options which are available to such actors. The level of boundary transcendence to be allowed in various domains is less and less the result of political decision relative to struggles of power and/or cooperative negotiations within the territorial polity.

3) globalisation - in the sense here defined of loss of control of territorialized hierarchies on the level of boundary transcendence in their polity - distributes in a differential way exit options and access to extra-territorial resources. Not all actors (institutional, collective, functional and individual) are endowed with the same 'structural capacity' and 'interest orientation' to exit and boundary transcendence. Therefore, considerable redistribution of market, political and institutional power is likely to result within the state.

2 Globalisation, boundary transcendence and political structuring within the (nation-) state

Historically, the internal political structuration of the (nation-) states has taken place through the formation of '*cleavage structures*' (political alignments represented by parties and party systems), the '*articulation of corporate interests*' (interest organizations and movements), and the establishment of '*centre-periphery relations*'. The process resulted in different equilibriums among three main forms and channels of political representation within the closed-boundary (nation-) state: *corporate*, *territorial* and *politico-electoral*.⁶

Of these three channels and forms of representation two - territorial and the corporate - are very old. They go back to the assemblies of the feudal systems and to the representative bodies of the middle-age city-states. In the old forms of territorial representation, territorial entities were the natural focus for the external representation of the local community, whose internal divisions were either suppressed or overlooked as irrelevant.⁷ However, the

localistic ties on which external territorial representation rested became progressively dysfunctional to the structuring of voice in an effective way. External territorial representation was insufficient to satisfy the progressive internal differentiation of interests within the territory that socio-economic modernization was producing. The effective structuring of voice within the nation-wide territory required cross-local linkages based on other kinds of affinities than those of a pure territorial nature.

In the end, within closed national territories, the development of cross-local alliances of a 'functional' nature among different section-groups overcame the forms of territorial external representation. Political modernization is associated with the progressive overcoming of politico-electoral channels and forms over the other two types. Corporate forms of representation proved more able to adjust to the modern representation albeit in a modified and modernized version, those of corporate interest representation, rather than estate, curia and the like. Territorial representation suffered most the processes of modernization and the interest differentiation in the local community that it brought about.

During the 19th and early 20th century it was felt that socio-economic and cultural modernisation implied a process of progressive integration that would eventually eliminate the territorial distinctiveness based on cultural as well as economic disparities and differences. Either new state had to be formed (by secession and aggregation) which were more homogeneous, or the modernisation process would have progressively attenuated, if not eliminated, the territorial concentration of distinctive features and/or their political significance. Nineteen century federal constitutions in newly formed states (Canada and Germany) and the federal solution advocated for Italy and Spain, were imagined as a uniform (albeit not unitary) system of government, with limited concessions being made to territorial distinctiveness (the Quebec system of civil law, the Bavarian state tradition - further eroded by the German Weimer constitution - the distinctive arrangements for the Basque provinces in Spain, for Scotland in Britain, and for the cultural communities in Belgium). So, the general trend in the 19th century was toward national uniformity and the denial, non-recognition, or softening of territorial distinctiveness, even if the dream of complete conformity was never attained (the Spanish *fueros* never completely eliminated; the French provinces of Alava and Navarre retained their economic privileges; Quebec its own system of civil law, and Canadian provinces their guarantees of religious education and language autonomy; Scotland its own legal, educational and local government system and differentiated administration. After WWII, forms of autonomist arrangement were extended to Wales; Northern Ireland,

the Italian special status border and island regions, and a variety of European islands: Greenland, the Faroes, the Alund islands, the Azores, the Canaries, and Corsica).⁸

This long-term trend toward territorial standardisation was based on the perception that the rise of the nation state as a sovereign entity was incompatible with the persistence of historical rights of previously independent territories and with the recognition of distinctiveness as a collective right. The 'nation' implied a unitary identity as opposed to the multiple identity required by the persistence of such distinctiveness. Second, liberal democracy was based on an individualistic principle of representation that organised mainly through non-territorial (or cross-territorial) cleavage systems and corporate interest organisations, and as such left little room to territorial collective identities. Finally, state policies in domains like education and the welfare were devised to breakdown particularistic identities on the basis of the principle of individual equity and broad national solidarity. In fact, those cases of relative autonomy recognition mentioned above, could all be presented as small-scale exceptions, without major implications for the structure of the state.

There powerful trends notwithstanding, democratisation showed that territorial politics remained a continuing element of politics in Europe. In the late 1960s and 1970s, following a further expansion of the state bureaucratic development into the welfare state and industrial and economic policies, a clash emerged between the classic top down model of government and the new demands of local management often articulated by new mobilised actors within the regions. The response of the state was a variety of programmes of devolution and regionalisation (Belgium, Italy, and France - failed in Britain and later on in Portugal). More recently, from the late 1980s, a further wave of territorial representation demands seems to have emerged together with new forms of territorial politics. It can be argued that this latter wave of territorial politics differs in many ways from previous historical phases and examples of peripheral resistance.

We have argued that 1) the relative overshadowing of old forms of territorial representation to the advantage of forms of corporate and political representation was largely the result of the boundary building activities of the state and its territorial hierarchy; 2) that this boundary building and limitation of boundary transcendence *was crucial in the transformation of early mainly territorial conflicts and alignments into functional conflicts and alignments.*

We must now, therefore, ask the following question: in what ways is the current trend toward lowering the boundary building capacity of territorialized hierarchy and toward increasing the capacity of actors to exit (nation-) state regulation, jurisdiction and material resources going to affect the forms of territorial representation and the centre-periphery relations? If boundary building of the modern state contributed to subside territorial politics, will boundary transcendence contribute to transform earlier functional conflict into new territorial ones? The theoretical framework spelled in this first part of the paper leaves at least some room to raise this question, which at this stage, however, have a purely deductive nature.

The following notes concern the possible changing nature of centres and peripheries in this new context as compared with the historical peripheries. The core theoretical question can be summarised in the following terms:

What consequences may derive from the current trend toward territorial enlargement and politico-administrative integration at a higher than state level? If the peripheralisation of territories within bounded territories was historically linked to the latter reducing exit options, what is going to happen to them when exit opportunities spread for individuals and firms to territories? If the historical definition of centre and peripheries resulted from boundary building in the economic, cultural and administrative field at the state level, should we expect that boundary reshaping will have strong influence on old and new peripheries?

New boundaries, new types of boundaries, and competition among different boundaries modify the opportunities for weak exit⁹ of sub-state territories. As a result they also affect the conditions for and the modalities of voice of the latter. In particular the differential distribution of economic, administrative and cultural exit opportunities among territories (groups, individuals and organisations) is likely to become a major source of interests redefinition and political alignments change. It is also likely that the loosening grip of state territorial boundaries lead to the re-emergence of territorial oppositions as result of within state progressive territorial cultural, institutional and economic differentiation. European policy impact on sub-national territories may foster a territorial definition and redefinition of interests and even of cultural loyalties. Policies directed to territories within the boundaries of the nation state or policies directed to territories across such boundaries may increase claims to politico-administrative decentralisation and strengthen local forms of external representation. Is this associated with a redefinition of centres and peripheries? Will other and different peripheries be created? On the basis of which resource-imbalances new peripheralisation can occur in a loosely bounded territoriality as that

defined by ‘globalisation theory’? What opportunities and which costs are produced for different types of territories by the multiplication and differentiation of centres at the EU and world level?

The next sections of this paper discuss the implications of this new opportunity structure. The focus will be on the sub-state territorial relationships; reference to the other two main dimensions of political structuring - cleavage systems and corporate interest intermediation - will be made only when directly linked to and affected by the new significance of territory.

3 Dynamic changes affecting within-state territorial differentiation

With respect to the historical distribution of resources over the national territory and among sub-national territories a number of changes should be considered which affect the within-state territorial differentiation process. I will list them as ‘points-questions-hypotheses’.

3.1 A changing scale of operation of ‘infrastructural power’?

Once the state develops and expands its ability to provide centrally- and territorially- organised services (the welfare state, the educational system, credential control, etc.) its basis of legitimacy changes and become increasingly dependent on this capacity (a ‘performance legitimacy’ as opposed to the ‘procedural legitimacy’¹⁰). In this way the state and its bureaucracy develop some element of autonomy from the dominant social elite and it is no longer a pure or simple expression of their ‘despotic’ power. This autonomy and legitimacy depends however on the capacity to continue to deliver those goods that cannot be provided in other ways. Infrastructural power, as opposed to ‘despotic power’ can therefore be defined as the capacity to provide efficiently and to deliver public goods as services and rules that other organisations can not provide (or cannot provide with equal efficiency).¹¹

At this stage, however, the state is subject to the challenge and competition of other organisations that prove or are thought to be most able to deliver the same goods (services, protection, and rules). In other words, the changing basis of legitimacy of the state from pure domination to performance of functional duties has eventually exposed the state itself to the functional decline with respect to other forms of creation of these goods by other types

of organisations. It is more precisely in the realm of specific functional regimes that defined the administrative-political boundary of the state that this challenge has proved more intense: defence of property rights connected to an increasingly mobile property, environmental protection, etc. The application of infrastructural power can be more efficiently allocated to sub-state or regional communities as well as above-state new communities or international organisations.

To a certain extent, this possibility is enhanced by the 'devaluation' of space as a result of technological development in the communication and transport system. The traditional location scheme according to which investments will tend to be located as nearby as possible to one of the three sources of the 'capital'; the 'market' or the 'raw materials' no longer applies. In this sense the process of reproduction of economic peripherality is broken as there emerge greater opportunities to locate resources without the constraints of pre-existing resource concentration.

Moreover, technological change and international division of production labour in advanced industrial countries, brings about a declining importance of asset specificity (asset specificity means that the value of an asset is strongly connected to a specific use). A 'specific asset has no easy substitute. Its exchange requires high transaction cost, high economies of scale. Non-specific assets (financial products, e.g.) are the contrary. A political hierarchy guaranteeing those complex conditions of price efficiency and markets availability is required more by a predominant 'specific asset economy' than by a 'non-specific asset economy'.

Therefore, in this instrumental perspective one can imagine that specific political structures (like the state) are more or less efficient in regulating, fostering, and controlling certain economic activities. Economic processes, according to technological features, have different efficient or ideal political scales. If and when, with technological change and goods differentiation, the scale of the political structure become sub-optimal (because the existing political arrangements for the regulation of production, exchange and consumption, are inadequate for the asset type and the public goods required), then pressure for a new political scale may emerge that reflects the altered requirement for political production.

In a growingly number of areas, the nation-states experience problems in providing the traditional 'regulatory', 'distributive' and 'redistribute' public goods.¹² For important areas of the regulatory framework of the market and economic activities only international or cross-national regulations are

effective (establishment and protection of property, currency, abolition of internal barriers of production and exchange, standardisation, legal enforcement and adjudication). Distributive activities (through state controlled and state sponsored production and distribution, nationalised industries, public services, public finance and subsidies) and redistributive policies (health and welfare services, employment policies, environmental policy) are affected by the more and more difficult definition of which sector are strategic, by international and regional agreements, and by international competitiveness and favourable climate for international capital.¹³

This increasing divergence between the scale of infrastructural power for the market activities and the scale of action of the state generates interests, ideas and debates about the ideal and efficient political scale. Does this concern only the rising up of functions and duties to the trans-national and above-state level or does it also imply the empowerment in certain areas of sub-state levels territorial organisations?

3.2 Territorial competition

When the concept of the 'demise of the nation-state' is used what is normally meant is the 'demise of the nation-state Keynesian policy capacity'. When economic boundaries are lowered or removed mobile production factors can easily move from one jurisdiction to others according to the social costs and regulatory burdens imposed on them. The absence of worldwide or of world-region-wide market regulations forces governments to do their economic and social policies following the requirements of international competitiveness (i.e. attracting mobile factors). National competitiveness becomes the dominant political imperative and programme as national regimes are exposed to competition that can no longer be contained at the national level. The pressure for competitive de- and re-regulation that result have already visible consequence: 1) shift of taxation from mobile to immobile factors; 2) shift of the financing of the welfare state from employers contributions to general tax revenues; 3) ruling out of state aids and subsidies to domestic industries for employment protection; 5) pushes toward privatisation of previously nationalised industries that protected sectors of the labour force; 6) constraints on public borrowing and the overall public deficit; 7) rising autonomy of central banks, no longer allowed to extend credit to governments.

The process of opening of markets at the European and global level makes governments less able and willing to put resources into backward regions for programmes of territorial redistribution and has made them more ready and inclined to give more attention to the most dynamic and active sectors and

territories in order to foster national competitiveness. In other words, there has been a certain change in priority in territorial politics, from redressing within-state territorial imbalances, to foster territorial endogenous resources and to promote national competitiveness, from territorial to sector intervention.¹⁴ In the new context there will be a tendency to divert resources from other programmes to those activities that tend to promote growth. This will tend to change the terms of the political debate, putting development and system competitiveness at the core of the political argument.

However, even if territorial politics will be increasingly dominated by the competitive pursuit of economic development and growth, this does not entail the reduction of the territory to a pure set of exchange relationships based on instrumental calculations. Territorial collective identities, institutional strength, co-operation traditions, etc. can all provide the basis for forms of co-operation in the production of public goods and investments in the future. They can help not only to overcome external diseconomies of competition, but also to create local conditions which, relying on historical traditions and endogenous resources of a cultural, institutional, or social nature, may favour the adaptation and the response of specific local territories. Local territorial identities may also find a new push thanks to this development in the internationalisation of forces as a reaction of local defensiveness.

More precisely territorial competition depends on:

1) The mobility of factors (goods, firms, individuals, taxpayers, etc.) that creates a potential demand. If there are no mobile factors, then there is no competition, in the sense that there are no customers to compete for. The essential element of territorial competition is therefore territorial mobility. However, also non- (or less-) mobile factors do play a role, to the extent that they are asked to bear the costs (or advantages) of mobile factors' choices. Note that here lies a fundamental difference between economic competition and territorial public good competition. While a loyal customer may continue to buy the same good, eventually enjoying its improved quality determined by the exit options of other more volatile buyers (and even if the factory which produce the good s/he likes were to fail and disappear he could always have a substitute), in public goods territorial competition the loyal customer (that customer who does not want or who cannot be 'territorially mobile') is considerably affected by the deterioration of the territorial performance.

2) The territorial differentiation of the offer that creates a supply. If the territorial offer is not differentiated, there is no incentive to change territorial

location. Territorial competition is mainly competition through the offer of different kinds, levels or quality of public goods (transports, loans, etc.). There might be big differences in the capacities of different sub-national territories to differentiate the offer according to the institutional structure, policy competence, and means of the local government. The stronger the external hierarchical control of the offer (from the centre) the less possible a differentiation. The higher the local resources and the lower the central control the higher the possibility of offer differentiation.

In the historical experience of the European states, the demonical obsession with territorial exit options actually lead to measures to limit internal territorial competition as potentially explosive for both the internal cohesion and the international equilibrium. Within the EU, actively engaged in removing internal boundaries and open to always new adhesions, territorial competition is likely to be less bounded than it was within nation-states. It may resemble more the experience of the United States, as a result of continuous addition of new states, historical legacies, technological change, the tax system and the fragmentation of the sub-national governmental structure. The American state and local governments have been competing with each other for over two centuries, and this competition has been ferociously intensified by the ease of incorporation in the United States. As new states entered the union and as local governments proliferated within both new and existing states, the number of competitors constantly increased. It is this competitive element which drives a great deal of intergovernmental politics at the sub national level and that dominates the pursuit of economic development. Whereas German federalism has developed rules that are designed to minimize competition among territorial units, the history of American federalism - and of horizontal relations among states and among local governments - has been based on competition for economic growth'.¹⁵

The Europe-United States comparison shows that the extent to which the vertical (federal) state-society dimension (state policies and social interest demands and reactions) and the horizontal intergovernmental dimension (legal, economic, etc. competition) among territorial units for economic development and resources are both active or one is muted depends to a great extent from the model of state and nation building, that is, from the historical pattern of boundary building and exit/entry options availability.

It can be argued that eliminating explicit obstacles to trade, harmonising regulations that would otherwise segment the market, and increasing the mobility of labour, services, and capital, globalisation or regional integration may lead to divergence in both economic structure and growth rates of

different regions, rather than to convergence in factor prices, economic structure and growth rates. Krugman¹⁶ has concluded that with integration EU states and regions will become more specialised (like in the USA) and that they will therefore become more vulnerable to regional specific shock. At the same time, they will be unable to respond with counter-cyclical monetary or exchange rate policy and will also tend to have immobile fiscal policy (in the environment of high factors' mobility, the shocks tend to have permanent effects on output and therefore immobilise fiscal policy). According to Krugman, in the US the heavily federalised fiscal system offers partial solution to regional stabilisation. In the EU, unless there is a considerable institutional change, this leverage is absent and problems of regional economic unbalance may exacerbate.

However, territorial competition is not only a process of opening. It is at the same time a process of boundary building. If territories want to compete they have to control certain factors; otherwise they are not different offer-units. Creating regions does not only mean to create a 'space of action', but also to set boundaries with other territories of an economic, administrative, cultural nature. In other words, the space of action follows from the boundary building process. An internal territorial space of action (which I would like to call 'structuration') cannot be successfully build unless some form of boundary consolidation has taken place. Functional, cultural and administrative territories are characterised by different boundary building processes.

3.3 Territorial (sub-state) differentiation

Territorial differentiation can be based on traditional resources of the territory as economic resources, cultural distinctiveness (ethnic, linguistic, cultural, religious distinctiveness) or institutional resources (local government tradition and capabilities). However, the most interesting and innovative processes of territorial differentiation are likely to affect the politico-administrative boundaries taking the form of regulative differentiation of previously nationalised functional regimes.

We can hypothesise the tendency to the creation of new forms of social protection, of labour market regulation, of educational system territorially differentiated at the sub-national level. This will involve the potential risk of the retrenchment of social solidarity towards more restricted territorial entities and the weakening of national integration may also reduce the possibilities of nation-wide solidarity and redistribution. The underlying logic of this aspect of territorial differentiation is that the higher the systemic interdependence (the boundaries of the social division of labour), the higher

the need of localised forms of social integration (the community solidarity bonds). Ferrera has mentioned two factors that push toward sub-national particularism in the specific field of the welfare state,¹⁷ but its reasoning can be extended to other functional spheres as labour's market regulation, educational requirements, etc.

The first factor that favours territorial differentiation is the new logic of competition of the internal market that tends to create new aggregation of territorial and sector interests and help the re-emergence of old cleavages between centres and peripheries of production and trade (e.g. economic axes as the Renan one, or Catalonia, the French Midi, Padania, Carinzia). The various social groups that operate within these types of territorial areas will tend to see the convergence of their interests and policy needs. Looking for more efficient forms of competition with respect to other territorial areas, these groups will develop common interests toward institutional arrangements (welfare, fiscal, labour market, education, etc.) that do not penalise them in the competitive game. These social groups could manifest a growing interest for localised functional regimes in the above-mentioned fields that are efficient, flexible and territorially circumscribed to them, that is, deprived of extensive redistributive dispersions.

The new logic of competition of the internal market sketched before might have a further implication. It will help the surfacing of old and new peripheries, regions and territories traditionally backward or incapable to keep up with the economic modernisation. The unbalances in national budgets and the growing fiscal opposition of strong social groups endowed with a high capacity for exit might challenge the traditional national redistributive circuits and mechanisms, contributing to a new dynamic of infra-European differentiation between development and under-development. This may contribute to new territorial tensions along the axis of national standardisation of functional regimes versus their territorial differentiation.

The second factor contributing to territorial differentiation is the changing logic of national political competition. The dealignment of traditional cleavages and forms of political control and the disappearance of anti-system oppositions tends to produce an opening of the politico-electoral markets which offer new spaces to political competition impinging upon the defence of interests of local type and nature, either through the mobilisation of new single-issue or through the re-activation of the old territorial and also social-economic cleavages (urban-rural, for instance). We should add to this the potential interest and convenience for political entrepreneurs to exploit the theme of the particularistic solidarity (Belgium, Italy, Catalonia, etc.).

In conclusion:

- processes of integration and interdependence make state borders more permeable;
- states have to a large extent changed their nature from territorial entities to regulatory systems
- there is disengagement between state and territory leading to a more emphasis on the non-territorial aspects of statehood
- therefore, divisions within the state are highlighted and the possibility for internal differentiation do increase.

3.4 Politico-institutional differentiation?

At the EU level since the 1980s the increasing level of cross-border co-operation, the extension of EU inter-regional policy and the beginning of extensive territorial planning¹⁸ have started to define new borders which regroup regions in different countries, but at the same time they have helped into redefining within state borders. There are, in fact, internal territories of the state which are 'in' or 'out' the regional policy programmes or the cross-border co-operation and this makes to them a great deal of difference.¹⁹ 'The combination of large amounts of community funding and novel forms of territorial governance to administer them is challenging traditional state-centred politics. But this is exactly not the withering away of either state or borders. What are withering away are the one to one matches between states and borders: borders equal states and states equal territorial borders are a thing of the past'.²⁰

Challenging the traditional role and boundary of the state may also mean re-politicising within state territory differences and the politics of the EU has introduced new stimulus for the circuit of territorial bargaining, co-operation but also competition. The EU has contributed to the development of a set of new legal and financial tools for regions. The EU structural funds have prompted even the most centralised states as the United Kingdom, Greece, Portugal, and Ireland to try to create entities at the regional level for the implementation of the EU regional policy funds. The EU structure and incentives continue to provide the legal framework and the resources for regions to compete and to form alliances that will be competitive in the economic sphere. The EU policies have impacted on the decentralisation trend in most EU countries going back to the 1970s, but they have increased regional capacities in terms of economic and organisational resources to deal with territorial problems and to manage policies of local economic development. In short, the EU has played an institution-building role for sub-national regional strengthening.

Both the national,²¹ and more recently the European centres actually aimed at increasing the endogenous capacities to achieve regional development, trying to add to the classic redistributive measures the fostering of endogenous oriented measures. As a result, the mobilisation of the endogenous economic and social potentials was actually fostered by supra-regional centres.

The uncertainties produced at the regional level by the EU integration in the economic field made for relevant social forces and interests to express their concerns about the possible impact of EU measures on regional and local economic structures. These uncertainties generally generated demands from local socio-economic actors for regional action to identify areas affected by these changes and to take the appropriate measures to respond with regional structural adjustments. At the same time, regional government have become more active in gathering together private and public forces with a view to compete in the wider international context of economic allocation, trying to make themselves attractive location for investments and signing agreements with other state and inter-state governments to promote co-operation, trade, etc. Regions which are culturally distinctive have recently tried to develop at the ideological and practical level a model of regionalism in which their cultural distinctiveness is considered as giving them a competitive advantage within EU integration and within new economic internationalisation trends. The reference point has changed from the central state to the international (EU and world) arenas.

The growing awareness of the importance of regions for the economic development has coincided with the idea that, with the creation of world-wide markets and the internationalisation of certain factors of production, a number of 'economic regions' are emerging as the best frame for economic activity promotion and regulation. However, some of these economic regions have boundaries that cut across national administrative regions and sometimes also national boundaries.

New regional co-operation has evolved from a problem-solving framework (how to provide co-ordinated public services on both sides of a national frontier: infrastructure, cross-border commuting, civilian protection, disaster control, environmental issues) towards a more comprehensive approach that comprises the general economic development of these frontier regions, often at the periphery of the national economic structure. Moreover, the bases for these experiences of regional co-operation have evolved from a physical

continuity or some geographical principle to functional and structural characteristics.²²

These structural changes, however significant, should not be regarded as increasing the role or power of *all* regions. They apply to all of them, but obviously the structural definition of regional territorial interests may allow for these fora to express very different interests and opinions, and not necessarily - and may be very unlikely - a 'regional' view or a regional power increase. While regional alliances continue to develop along common economic or infra-structural interests and regions try to establish their institutional position vis-à-vis the Union and national governments, the prospects of an harmonious 'Regional Europe' are non existing given the potential conflicts of interests among regions and areas and given the enormous differences in resources among the regions. Moreover, the relevance of territory and territoriality in Europe has not necessarily anything to do with a regionalised Europe and that new forms of territorial politics do not need to be regionalised politics.²³

4 Structural profiles of territorial resources

If the hypotheses discussed in section 3 are correct, one should expect that this new constellation will redistribute territorial resources in a new way and will tend to reverberate on the forms of territorial politics and representation. However, while there is a general perception that economic regionalisation prompts forms of representation of the local interests that must be relatively unitary, it is difficult to specify how the capacity to represent externally the interests of a local society is formed in the new conditions.

4.1 Renewed territorial representation?

In the forms of territorial representation existing territorial entities are the natural focus for representation and their internal divisions tend to be either suppressed or politically diffused. Territorial politics in the consolidation of the nation state in early modern Europe had a distinctive stratarchic structure: it was dominated by a triadic relationship which is reappearing in the process of territorial expansion associated with the development of globalisation and regional integration. Rokkan²⁴ in all his writing and more recently Wayne te Brake²⁵ have elaborated this triadic view of oppositions and alignments based on the relationship between 1) ordinary people; 2) their local rulers, and 3) the (national or international) claimants to power. Three types of alliances can be identified:

- 1) local consolidation with an alliance between local rulers and ordinary people that tended to produce either city-state or confederated provinces (in the Netherlands, Switzerland);
- 2) elite consolidation, resulting from alliance and integration between local rulers and national claimants (as in Catalonia and the Empire)
- 3) central consolidation resulting from alliance between ordinary people and national claimants and cutting out local rulers (as in France)

In the new constellation of circumstances, it is likely that forms of external representation of a cohesive local community may re-emerge in certain policy areas and that a new strataarchic dimension of political interaction re-emerges.

I consider the formation of a new strataarchic territorial representation as more likely than the new formation of European-wide (not to speak of world-wide) cross territorial alliances. The reasons are many and I will list the more important ones as hypotheses.

- 1) The number and fragmentation of the new sites of power and decision-making tend to lower the organisational cohesion of groups and movements. The plurality of loci allows different groups within encompassing national organisation to perceive that their resources might be better used in one locus rather than the other. There might be within organisations conflict about the vertical decisional-centre toward which to act. That is, there will be differentiation among groups, movements and interests according to their capacity to access to different layers and different sites of the EU, national and local decisional structures.
- 2) Internal interest differentiation within and among groups may derive also from their different capacity to escape the impositions and social duties established at any of these levels and sites. In other words, previously united and centralised corporate and political organisations may internally divide on the basis of different perceptions of the costs and gains of the new exit option constellation.
- 3) The organisational domain of interest groups will cover narrower territorial capacities than the market. The reach of the organisational resources of groups, parties, even states, will be narrower than the reach of the market. 'By undermining associational monopoly and inter-associational hierarchy, the fragmentation of interests and the pluralist proliferation of political opportunities that is entailed by the 'regionalisation of Europe' adds

to the decomposition of national-level corporatism as well as to the obstacles to its supranational resurrection.' ²⁶

4) The processes of territorial negotiations among actors at the sub-national level (when they become all too frequent) imply recognition of the similarity of interests (and identities). This reciprocal recognition requires relationships in which each actor is autonomous in its capacity to modify its goal through the negotiation. Which in turns requires its low or decline dependency and linkages with cross-local encompassing national organisations. In other words, the growing recognition of common local interests (e.g. increasing the attractiveness of the territory for investments, increasing local infrastructures, exploiting local assets, etc.) generates negotiation climates that inevitably tend to weaken the vertical and cross-local relationships between local actors and the national ones. It tends to balkanise interest representation at the local level; it tends to increase requests and needs of local autonomy; it tends to redefine the hierarchical relationships within the national organisation.

5) It may be argued that the emphasis on territorial competition will tend to foster regional 'developmental coalitions' defined as broad and 'place-based inter-class coalitions of political, economic and social actors devoted to the economic development in specific location. It may include locally and non-locally based business interests, regional and local bureaucracies, as well as locally based national bureaucrats, and neighbourhood and social movements.' ²⁷

4.2 Variation in 'structural' territorial resources

The extent to which latent territorial tensions -which are indeed very likely to develop - will transform into open requests of institutionalised territorial sub-state representation will depend on the cultural, economic and institutional resources and options of different sub-state territories and regional alliances within and across territories.

The larger the number of different political options available to the periphery in its relations to the political centre, the higher the resources which can be converted into political pressures brought to bear upon the latter.

It is likely that, in a context of loosening boundaries, interface peripheries have an advantage over external peripheries as a result of the existence of an alternative and supportive cultural centres.

Following the same logic, territorial spaces subject to one national politico-administrative centre but fully integrated in a broader than national space of

market transactions have higher economic resources to convert into political pressures brought to bear upon the politico-administrative centre. They may also have other possibility rather than bearing upon the centre: to find alternative resources from those offered from the centre in terms of transfers and access to international capital markets (i.e. exit options based on a supportive external economic centres).

Territorial spaces with strong institutional autonomy and where alternative administrative borders compete in different functional areas - cross-border co-operation, functional regimes within the EU, etc. - can access external regulative and jurisdiction resources (i.e., exit options based on a supportive external administrative centres).

The framework of territorial structural resources needs to include the cultural distinctiveness resource of the peripheral territory, the economic access to external resources, and the institutional distinctiveness and autonomy of the territory.

In Figure 1 I have attempted to systematise the structural feature of the territory, its resources and political options. A map of the variable affecting the variation in sub-state territorial resources should therefore include: 1) *economic resources* concentrated in the territory; 2) *financial resources*: autonomous fiscal imposition; access to non-state financial markets; freedom in allocation; 3) *cultural distinctiveness and resources*: a rich ethno-history can be a significant source of cultural power and a focus of cultural politicisation. 'Communities able to boast such histories have a competitive advantage over others where that history is scanty or doubtful. In the latter case the intellectuals have a double task: they must recover a sufficiently large quantity of communal history to convince their own members that they have an illustrious past, and they must authenticate it sufficiently to convince sceptical outsiders of its merits';²⁸ 4) *institutional resources*:²⁹ density of regional political and administrative but also social and economic institutions; capacity to formulate policy (extent to which regions are a political system with a decisional capacity and the possibility to politically define a 'regional interest'); competencies (autonomous versus shared with the state); 5) *political resources*: level of autonomy of the local political class from the national one; political distinctiveness of the local political elite; regionalisation of the party system and de-nationalisation of the party system; territorial mobilisation of support and political action.

(Figure 1 about here)

5 Conclusion: Variation in political outcomes?

The main thrust of the argument so far presented can be summarised as follows. The extent to which territorial and functional conflicts in a polity are both politically active or one is muted to the advantage of the other depends ultimately - in my opinion - on the level of closure of the systemic boundaries. The more closed and reinforcing the various types of boundaries, the more likely that territorial issues will be in the long run incorporated within broader cross-local alliances of a functional nature. The more open the polity boundaries and the more loosely bounded its territories, the more likely that territorial alternatives differentiate and become the focus of political conflict.

In this paper I have explored the extent to which conditions can be identified that foster the rebirth of territorial forms of political representation within the emerging structure of European and world loosely bounded territories and multiple centre in the areas of politico-administrative, cultural and economic transactions. I have discussed a number of *dynamic processes* that may foster renewed forms of sub-state territorial differentiation and competition (in section 3), and a number of *structural resources profiles* of sub-state territories that may influence the level of revisionism in the relationship between given sub-state territories and the state (section 4).

The study of these processes of territorial differentiation requires some systematic and objective solid fact-finding and data accumulation on the within state territorial differentiation of interests, institutions, policies, economic and cultural resources. We need data not only on the socio-demographic and economic structure, but also on cross-territory linkages and fluxes (e.g. external regional trade figures; regional foreign trade dependency), and political administrative data and synopsis about local government authority and power, fiscal powers, resort to court of justice, resort to national courts against national governments, institutional territorialisation (welfare state), chances of cross-border co-operation, etc. Finally we need to accumulate political data about party system regional distinctiveness, electoral regional specificity, European versus national election differences, regional parties and centre-peripheral relationships within the structure of nationally based parties.

This theoretically guided comparative research effort is needed. If we were to have all relevant comparative information (and we are far from that), the study of the interaction between dynamic processes and structural resource

profiles for each given territory may provide us with a map of potentials for differential outcomes of sub-state territorial revisionism.

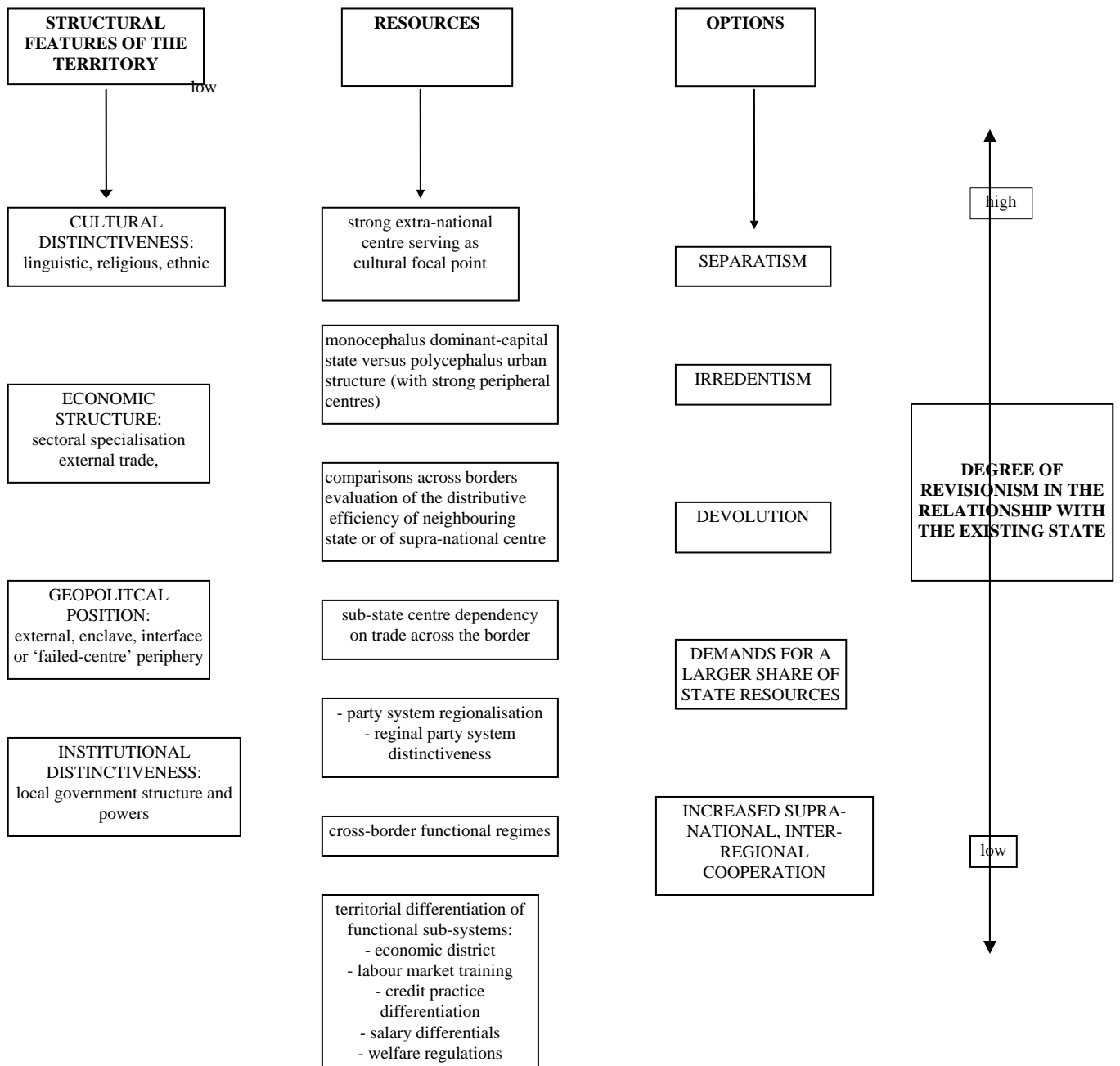
Yet, we know that dynamic processes of change and structural profiles of territorial resources do not determine the outcomes, even if they set the confining conditions of feasible alternatives. We need to add to this the third crucial – and most difficult - dimension concerning the choices of key socio-political actors in their political mobilisation efforts. This requires linking territorial differentiation trends with the two other crucial dimensions of political structuring of democratic (nation-) state: cleavage structures and interest intermediation structures. In studying the impact of globalisation and the most advanced processes of regional integration like the EU on the transformation of political representation, we should link aspects of *territorial differentiation* - as discussed in this paper - to the interaction between the structuring of organisations in the interest representation channel (*interest intermediation system*), and the formulation of politico-electoral alternatives and of specific political organisation for the mobilisation of support both at the state and sub-state level (*cleavage system*). In other words, the actual potential for a politicisation of territorial interests is closely linked to developments in the cleavage and corporate interests systems. The latter have been only marginally touched upon in this paper.

We should try to develop models specifying under which conditions the emphasis shifts from within territory functional conflict - as expressed in cleavage systems and corporate groups intermediation systems - to between territory competition - necessarily grounded on the downplay or relative muting of the within territories' socio-political differentiation. We must produce models and hypotheses concerning the conditions in which existing within and across territory cleavage structures and interest intermediation structures can be reoriented toward the external representation of the territory.

Table 1: Exit options and boundary building

	exit option units	boundary building mechanisms
economy	<ul style="list-style-type: none"> -goods -services - tourists - corporations - investors - customers 	<ul style="list-style-type: none"> - embargoes - tariffs - labour-market controls - credit/capital controls - nationalisation of economy
culture	<ul style="list-style-type: none"> -messages, news -styles, ideas -fashion, fads -scribes, scientists - religious/ideological orders - intellectuals - missionaries 	<ul style="list-style-type: none"> -prohibition - censorship - loyalty-building rites/symbols -control of socialising agencies - nationalisation of culture
force/ coercion/ extraction	<ul style="list-style-type: none"> - soldiers, armies - police -spies -underground movements -organised crime - tax - territorial secession 	<ul style="list-style-type: none"> - territorialisation of defence - territorialisation of policing - borders controls - territorial extraction system - restriction on residence - restrictions on travelling
politico- administra-tive (functional regimes)	<ul style="list-style-type: none"> - voters - candidates - legal claimants (judges/cases) - sub-state governments - students - welfare recipients (?) 	<ul style="list-style-type: none"> - protection of citizenship - national specific social rights - professional credential codes - national jurisdiction - national educational title system

Figure 1: A map of sub-state territory structure of opportunity



Notes:

¹ Latin language and culture had a richer conceptualisation of boundaries than most of our 'national' languages have now. It would be worthwhile checking the classic philology to reconstruct the meanings of the various terms.

² The *van der diideschen hanse* league, which came to include about 200 cities between the middle of the 14th and the middle of the 15th century, was based on specific economic agreements and mutual commercial advantages among the members. Although there was a long-term predominance of the Lubecca-led regional 'quarter', a political 'constitution' was never formalised. There were however rules of closure, discriminating against external through the principal mechanism of economic boycotting of their harbours.

³ For a discussion of the different types of cultural peripheries see S. Rokkan and D. Urwin, *Economy, Territory, Identity. Politics of West European Peripheries*, London, Sage, 1983.

⁴ Of course, Middle Age thinking was more 'flexible' in terms of sub systemic boundaries. For a rich series of examples of 'lack of coincidence' in the modern sense see O. Hintze, *Soziologie und Geschichte Staat und Verfassung*, edited by G. Oestreich, Goettingen, Vandenhoeck and Ruprecht, 1962; and O. Gierke, *Political Theories of the Middle Age*, Cambridge, Cambridge University Press, 1988 (1900).

⁵ This table is adapted from S. Rokkan 'Entries, voices, exits: Towards a possible generalisation of the Hirschman Model', *Social Science Information*, 13, 1974, pp. 39-53, p. 43. I have added the line corresponding to the politico-administrative subsystems -- which Rokkan sets together with the force-coercion subsystem -- and I have added and moved items of exit units and boundary mechanisms.

⁶ Electoral representation is often defined as 'territorial' because it is unquestionably based on the territory. In modern representation, however, electoral competition is meant to represent the internal political diversity of every single territorial constituency.

⁷ S. Tarrow, *From Center to Periphery*, p. 55

⁸ See M. Keating, *Asymmetrical territorial government in western democracies*, ms. 1998, p. 1-2, for a full list of these experiences.

⁹ For a re-elaboration of the concept of exit to apply it to territories see S. Bartolini, *Exit Options, Boundary Building and Political Structuring*, cit.

¹⁰ 'Output oriented' and input-oriented political legitimacy' in Scharpf terminology. F. W. Scharpf, *Demokratietheorie zwischen Utopie und Anpassung*, Konstanz, Universitaetverlag, 1970.

¹¹ M. Mann develops the distinction between 'despotic' and 'infrastructural' power, 'The Autonomous Power of the state: its origins, mechanisms and results', *European Journal of Sociology*, 25, 1984, pp. 185-213.

¹² T. Lowi, 'American Business, Public Policy, Case Studies and Political Theory', *World Politics*, 16 1964, pp. 677-715.

¹³ See P. G. Cerny, 'Globalization and the changing logic of collective action', *International Organization*, 1995, 49, pp. 595-625.

¹⁴ M. Keating, *The Political Economy of Regionalism*, in M. Keating and J. Loughlin (eds.), *The Political Economy of Regionalism*, London, Frank Cass, 1997, pp. 17-40, p. 27.

¹⁵ A. Sbragia, *Debt Wish. Entrepreneurial Cities, U.S. Federalism, and Economic Development*, Pittsburgh, University of Pittsburgh Press, 1996, p. 218.

¹⁶ P. Krugman, *Lessons of Massachusetts for EMU*, in F. Torres and F. Giavazzi (eds.), *Adjustment and Growth in the European Monetary Union*, Cambridge, Cambridge University Press, 1993, pp. 241-261.

¹⁷ See M. Ferrera, *Modelli di solidarietà. Politica e riforme sociali nelle democrazie*, Bologna, Il Mulino, 1993, pp. 297-303.

¹⁸ See for their discussion S. Borra's Alomar, *Interregional Co-operation in Europe during the Eighties and Early Nineties*, in N. A. Sorensen (ed.), *European Identities. Cultural Diversity and Integration in Europe since 1700*, Odense, Odense University Press, 1995, pp. 127-146. S. Borrás-Alomar, T. Christiansen, A. Rodríguez-Pose, 'Towards a 'Europe of Region'? Visions

and Reality from a Critical Perspective', *Regional Politics & Policy*, 4, 1994, pp. 1-27

¹⁹ T. Christiansen and K. E. Jorgensen, *Toward the 'Third Category' of Space: Conceptualizing the Changing Nature of Borders in Western Europe*, paper presented at the Second Pan-European ECPR Standing Group on International Relations, Paris, September 1995.

²⁰ *Ibidem*, p. 18.

²¹ See V. Wright, *Relations intergouvernementales et gouvernement régional en Europe: réflexions d'un sceptique*, in P. LeGalès, C. Lequesne (eds.), *Les paradoxes des régions en Europe*, Paris, La Découverte, 1997, pp. 47-55.

²² See S. Borra's Alomar, cit., p. 135.

²³ See T. Christiansen, *Interests, Institutions, Identities. The Territorial Politics of the 'New Europe'*, in N. A. Sorensen (ed.), *European Identities. Cultural Diversity and Integration in Europe since 1700*, Odense, Odense University Press, 1995, pp. 241-255, esp. pp. 241- 245 for a critique of the 'Europe of Regions' myth.

²⁴ Rokkan, Stein, 1999. *State Formation, Nation Building, and Mass Politics in Europe. The theory of Stein Rokkan*. Edited by Peter Flora with Stein Kuhnle and Derek Urwin. Oxford, Oxford University Press.

²⁵ Wayne te Brake, *Making History: Ordinary People in European Politics, 1500-1700*, Berkeley, University of California Press, 1997.

²⁶ See on this point W. Streek, P. Schmitter, 'From National Corporatism to Transnational Pluralism: Organized Interests in the Single European market', *Polity and Society*, , pp. 133-164, p. 156.

²⁷ M. Keating, *The Political Economy of Regionalism*, cit., pp. 17-40, pp. 32-34.

²⁸ Smith, *National identity*, cit., p. 164

²⁹ M. Keating, *Les Régions constituent-elles un niveau de gouvernement en Europe?*, in P. LeGalès, C. Lequesne (eds), *Les paradoxes des régions en Europe*, Paris, La Découverte, 1997, pp. 19-35, pp. 33-35.