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GLOBALIZATION AND ADVANCEMENT OF LOCAL AND REGIONAL GOVERNMENTS: CONCURRENT OR ANTAGONIST PHENOMENA?

Abstract: Globalisation became one of buzzwords of our era. Ample impacts of this process are discussed almost every day. However, an attention, which is paid to territorial administration in this context, is far from sufficient. It is argued that territorial self-governments at both local and regional levels are increasingly confronted with global forces. Subsequently, their adaptation is of utmost importance in this respect and they should serve as supporting pillars for local and regional communities in the milieu shaped by global turbulences.

Key words: Globalisation, nation state, self-administration, state administration, subsidiarity, territorial administration.

Introduction

Globalisation can be treated as one of the most important phenomena of our times. Recent years witnessed its intense and fast drive and global processes shape the relations on our planet more and more. At the same time, global processes form the environment the world has never experienced before [Sucháček 2004]. Albeit we are talking about global processes, at the same time we can contemplate their ample local and regional impacts [Klasik 2011; Sucháček *et al.* 2012].

Globalisation as well as other major processes bears many pros and cons. And since the society is more sensitive to its negative aspects, general discourses concentrate namely upon its unfavourable environmental, economic as well as social consequences at various territorial scales. The fact that globalization stimulates the dissolution of the nation state, which involves also important territorial-administrative connotations is stated only seldom.

The objective of this contribution is to examine the relation between global processes and developments of local and regional governments. The qualitative advancement of local and regional governments mainly in terms of their finance and competences can serve as one of practical suggestions how to cope with less favourable aspects of globalisation.

1. Basic features of globalisation

Global processes bring far-reaching social, economic and cultural implications. Until now they could not be carefully investigated as there is a wide consent that the globalisation is at its very beginning. Moreover, the transformations of recent years have taken different forms in different places. Some actors, such as large companies and certain communities have been substantially more apt than the others to crop potential transformation benefits from global processes. Other, less influential actors, have received little except increased marginalization [Sucháček 2004].

However, globalisation can generally be comprehended as a dominant general trend that changes the organisation of the society at the world level. From the economic perspective, it is a process of change from national to global scale of integration of production, exchange and consumption. This process was enabled mainly by the technological informational revolution that provided the basic infrastructure for the formation of global economy [Castells 1996; Sýkora 2000, p. 59-79]. According to Soros [1998] the globalisation is not complete, because it includes only the economy, but not the democratic decision-making. Nonetheless, in the literature there is a relatively strong accord that the process is natural and unavoidable and optimistic scenario assumes also its qualitative development¹.

Globalisation brings also ample social impacts. One of the most serious aspects is the augmentation of uneven social and economic development. It is caused by the different power and abilities of firms, individuals and subsequently localities, cities, regions and states to participate actively in globalisation. The division of the power is not mirrored merely in inequalities between people or enterprises; key players of globalisation influence the character and priorities of public sector. Individual countries became increasingly affected by multinational and transnational corporations and world financial markets. Public sector distinctively yields to increasingly aggressive private activities.

One of the most relevant impacts of informational revolution and accompanying phenomena of global character is quickly advancing time-space compression. The concept of time-space compression describes increasing movement and communication in space, widening social contacts in space and human perception of such changes. Growing spatial mobility and overcoming spatial barriers are enabled by technological progress in the field of production, transport, communication and information. According to Harvey [1989], the size of the world of 1960 was one fiftieth of the 16th century world. Increased functional integration facilitated by time-space compression has, in turn, led to the emergence of a global arena of accumulation, consumption, distribution

¹ The development of global processes might seem inevitable: a predictable form of technical or cultural evolution. On the other hand some authors stress that in practice this evolution has been strongly influenced by the economic and political agenda of advanced industrial countries. After all, this fact is not so surprising. However, this gives us more complex and objective picture of reality.

and production. The role of time and space in our everyday lives has changed dramatically over last few years. World is rapidly diminishing in our perception.

Time-space compression subsequently affects the character of the society. Giddens [1990] speaks about geographical expansion of social contacts. He uses the concept of time-space distanciation that leads to the weakening of the integration of social relations in localities and their expansion in virtually global space. It is necessary to underline that possibilities of exerting the informational technologies are rather uneven.

Massey [1993, pp. 59-69] focuses on the formation of so-called power geometry of time-space compression. Various individuals and social groups play different roles in the framework of our contracting world. There is sharp discrepancy between those that act as parts of global communication network and the others that lack the access to global networks. Uneven distribution of the options of using the global information system (such as internet, for instance) stems from the differences between the industrial developed countries and the third world, younger and older generations or wealth and poverty. This leads to the strengthening of already existing and the formation of new social inequalities.

Global processes involve various players-firms, institutions and organisations, households and individuals. In essence, they can be involved in globalisation in two ways:
I. Activities of some players can actively contribute to the formation of the process of globalisation. The typical example is when transnational company directs its

Players:

- Firms
- Institutions
- Households
- Individuals

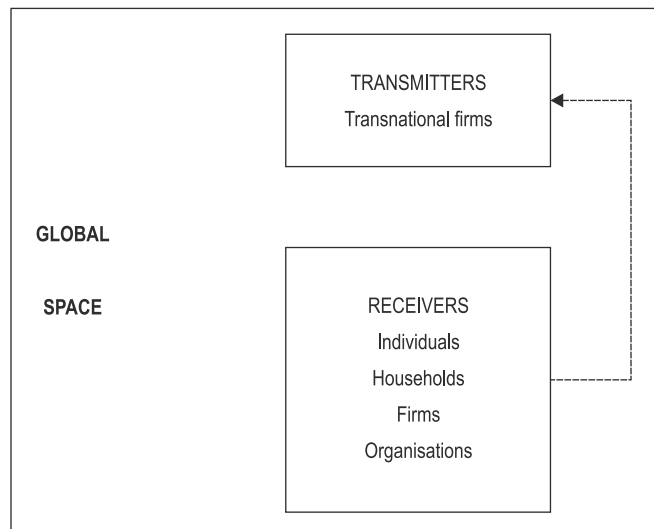


Figure 1. Globalization and its territorial effects

Source: [Sucháček 2004].

activities into certain area; this has extensive socio-economic implications (from changes in the composition of jobs and consequent impacts on the individuals, to the connection of the territory with the global environment). Of course, the amount of the processes that can more or less directly shape the process of globalisation is quite limited. And another aspect has to be mentioned: globalisation processes induced by those players create global external milieu in which such players operate. This group is relatively small and relatively powerful and can be succinctly called “transmitters” of global processes.

II. Most players, as well as their behaviour, are influenced by globalisation. They are “receivers” of global processes.

This conceptualisation draws us on the expression of the relation between globalisation or changing global setting and the role of local and regional governments in this process.

2. Public administration and territorial administration

Public administration can be generally characterized as the administration of public affairs. Public administration is the system of organizations that manage the state. From the functional point of view, it should be grasped as the summary of all political-administrative activities at all spatial levels. Since the whole system of public administration is based on taxes collected from citizens, it should express the preferences of tax-payers. In reality, public administration works as the extended hand of politicians and fulfills the role of their agents. Basically, the whole structure of public administration is the question of political consent.

From the formal standpoint, public administration should be comprehended as the system of organizations with given competences, financial resources at disposal as well as duties to be performed. Although the public administration is often depicted as abstract system, in reality, it finds itself in particular time-space context and has time-space impacts. The importance of public administration stems from the fact that it defines, to certain extent, the constraints and possibilities for other aspects of life in the whole country, as well as in regions and municipalities [Sucháček 2004, 2005].

For the purposes of our text, it is of crucial importance that all systems of public administration have a territorial dimension just for the sake of the fact that public administration deals with societies that live in particular territories. Structure of administrative functions and organizations is actually always bound to concrete territorial context.

Territorial dimension of public administration is defined by several principles, such as desired harmony between administrative and natural territories, co-existential character of territorial systems, sustainability principle or intergovernmental relations principle [see also Barlow 1992, pp, 61-70]. These principles contribute to the smooth functioning of territorial administration from both internal and external perspectives.

It is obvious that maximum possible correspondence should be maintained between territorial structure of public administration and spatial distribution and structure of the society. In other words, administrative territories delimited by the government should be in compliance with natural ones [see also Bennet *et al.* 1994; Maier, Tödting 1998]. Administrative units should take into account the hierarchy of settlement system, existing socioeconomic spatial relations as well as the socioeconomic potential of individual territories.

Administrative areas should also be designed so as to make administrative services reasonably accessible for the majority of citizens. Geographical distances to administrative centers and frequency of citizens' contacts with different administrative services are the most important elements in this context. It is also correct to emphasize the importance of transportation networks as no areas should be isolated from administrative centers [see also Hesse 1995].

Various territories are shared by a plurality of economic, political, social or cultural actors whose activities must be horizontally coordinated in order to draw on desirable co-existence and to prevent the conflicts. In case that majority of actors present in the given area is able to identify itself with the given territory, we are entitled to speak about territorial identity. Identity – or non-material territorial clue – should be also respected by public administration.

Put succinctly, in all advanced countries, territorial administration is organized into several territorially defined tiers. Since national administrative bodies, such as ministries are too great to solve the particular problems of regional/local character, municipalities on the contrary constitute too small unit for the solution of such problems. Therefore, the regional level of administration acts as the logical supplement to the whole system of public administration. This became increasingly apparent mainly in the current era of globalization when regional and local territorial units serve as supportive pillars for regional and local communities faltering in global streams.

3. Self-Administration and state administration from spatial perspective

Central governments decentralize some of their functions to subnational governments, *i.e.* to self-governing structures. Decentralization means devolution of the state's functions to autonomous territorial governments which can act, within the scope of decentralized functions, on their own behalf, without recourse to higher-standing authorities. Local or regional autonomy is introduced, referring sometimes to the existence and traditions of local or regional society (local or regional communities) which is then institutionalized by what some have called a 'local or regional state' and is represented by a local or regional government [see also Cockbum 1977]. In this case, we are dealing with territorial self-administration.

As indicated above, there should exist the balance in terms of competences and financial resources between both fundamental components of public administration, i.e. state administration and self-administration. While state administration can be characterized as public administration performed by the state bodies, self-administration is generally performed by other subjects than state². Self-governing structures of public administration are autonomous entities having a legal status.

For state administration, hierarchical 'top-down' system is typical. State policies and preferences are accomplished just via state administration. State administration acts on behalf of the state. While the subject of the state administration is the state itself, the objects of state administration are created by independent elements, such as firms, households or individuals.

In contrast to the state administration, self-administration utilizes 'bottom-up' approach, based on the needs of territories and entities present in these territories. Self-administration is based primarily on the accomplishment of its own self-governing power. Obviously, the activities of self-administration are delimited by the legislation. Self-governing bodies act on behalf of the given territory. Self-governing institutions are the subjects of self-administration, and the units that belong to the field of its legally delimited competences constitute the objects of self-administration.

The power of self-administration essentially expresses the rate of democracy in given country. Not surprisingly, territorial differentiation plays a crucial role in the evaluation of the relations between self-administration and state administration. We are dealing with the reflection of the distribution of political power alongside the hierarchical axis state-region-locality. In case that self-governing structures are not strong enough to act as the partner or balancing power of state administration, the threat of the emergence of power centralization becomes rather pressing.

Currently, traditional state structures are changing *vis-à-vis* stronger globalisation. Paradoxically, this process is of dual nature: while in some respects economy and society are indeed being globalized, localization and regionalisation occurred in other respects. Mlinar [1995, pp. 145-156] notices that 'local government and local democracy are becoming complementary, rather than an alternative to the central, higher levels of decision making'.

It has to be stated that there exists a great differences in the power of self-administration in various countries. While western countries promoted self-administrative structures as a consequence of the regional declines in 1960-ies and 1970-ies and strived for the fulfillment of the principle of subsidiarity, transition/post-transition

² Self-administration and self-governance are generally abstract concepts which refer to several scale of entities. The notions may refer to personal conduct or family units but more commonly to larger scale of activities, such as professions, industrial bodies, religions, aboriginal people and last but not least political-administrative units. Self-governance delimitates the behaviour of the members of given entity on the basis of management that stem from internal structures and relations, *i.e.* bottom-up approach is symptomatic for this form of governance.

Table 1

Self-governing Regions in European Countries according to the Date of Origin

State	Number of Regions	Date of Origin
Belgium	3	1970
Denmark	15	1970
Germany	16	1949/90
Finland	12	1919/86
France	26	1982
Great Britain	78	1972/73
Greece	13	1986
Ireland	31	1889
Italy	20	1948/70
Luxembourg	3	1868
Netherlands	12	1850
Portugal	7	1978
Austria	9	1918/45
Spain	17	1979/83
Sweden	25	1634/1862

Source: [Sucháček 2005].

countries mostly did not settle with unfavourable centralistic institutional heritage of socialistic era so far [see also Sucháček 2004].

Territorial administrative structures play one of the decisive roles in the process of socioeconomic development of the whole countries as well as their particular territories, *i.e.* regions. Adequate system of territorial administration may help in designing the desirable territorial policies, which should bear in mind that it is better to prevent socioeconomic problems than to cure their consequences. It concerns both state and regional levels.

4. Subsidiarity principle

Subsidiarity represents one of the most important democratic principles. It can be generally perceived as a rule, which states that matters ought to be handled by the lowest competent authority. From spatial point of view, it is a principle demanding that problems should be solved at the level at which they arise and that powers transferred to higher levels of government should only be those which lower level bodies cannot apply.

The principle should act as one of essential guidelines for defining the powers in the framework of democratically arranged territorial administration. Subsidiarity is applicable at both national and international levels, which means that this principle can cover various territorial ranks of spatial order from municipalities via regions to the individual states or even supranational groupings, such as European Union, for instance.

In European space, the subsidiarity principle plays rather important role. At the local level, it was already a key element of the European Charter of Local Self-Government, an instrument of the Council of Europe promulgated in 1985. In 1992, the subsidiarity principle was introduced in the Treaty of Maastricht. From practical point of view it means that in the sphere of the EU policies, this instrument is taken into consideration, when the EU acts in the areas not coming under its exclusive competence.

From more general spatial point of view, it is the principle supporting the manoeuvring space of self-governments since it protects lower territorial levels from unnecessary interventions from higher territorial and usually state governmental levels. Such interventions are incompetent in case that the same operation can be accomplished at the lower level, less costly and more efficiently. Moreover, local and regional actors are much more familiar with local and regional problems than their central counterparts, so what the smaller entity can do adequately should not be done by the greater entity unless it can do it better.

One of the basic goals of each country should be the prevention of deep regional socioeconomic inequalities. Such discrepancies are usually named (if at all) after their rise. It is much more efficient to precede the creation and further expansion of such discrepancies. In case that the principle of subsidiarity is duly applied, the probability of the occurrence of dramatic spatial differences is rather curbed. More importantly, provided that local and regional entities possess sufficient self-governing powers and finance, subsidiarity provides them with a truly useful instrument for the mitigation of global threats. This draws us on the practical fulfillment of the slogan ‘think globally, act locally’.

Concluding remarks

Globalisation processes increasingly challenge the firmness of the nation state and growing attention is devoted to local and regional territorial levels. Contrary to nation states, regions and localities are integrated naturally, in a ‘bottom-up’ way when the principles of regionalism outweigh the principles of regionalization. Moreover, the distance of central authorities from regional and local issues proved to be detrimental many times. From economic perspective, globalization brought a new prosperity, however severe spatial unevenness became one of its symptoms.

Therefore it is desirable that local and regional governments get more space in terms of competences and financial resources. Territorial self-governments should be strengthened and broadened which concerns both local and regional levels. In order to preserve peculiar and unique character of individual localities and regions, it is necessary to find the way of interacting with nowadays globalised world. In case of the lack of self-government and self-governance in the widest sense, there is always the danger of the dissolution of contemporary ‘space of places and regions’ in the global ‘space of

flows'. At the same time, one has to bear in mind that system macrostructures, such as infrastructure should be at least approximately bound to the existing settlement system as well as overall socio-economic importance of particular territories. Only in case of relative consonance between system macrostructures and settlement system the principles of self-government and self-governance can be fulfilled.

Genuine regional development can be reached mainly via the stimulation of inner endogenous potential of localities and regions, which substantially facilitates the integration of individual localities and regions into the turbulent and fluid global socioeconomic scene. Growing influence of local and regional self-governments should be thus perceived as desirable supplement to contemporary global processes.

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