



**Prof. Danuta Hübner**

**Chair of the Committee on Regional Development in the European Parliament**

**Round Table Discussion organised by Forum of Global Associations of Regions**

**“What role should regions and federated states play in transnational governance?”**

**Montechristi (Ecuador)**

***21 July 2010***

It is a great pleasure for me to chair this debate on the question “Que espacio pueden ocupar las regiones en la gobernanza transnacional”. Globalization inevitably leads to new governance structures as it creates new areas of common interests but also of competition in all fields of our lives – economic, social, political. If we look at regions and cities, no matter where they are, they all find themselves today in new competitive positions which for sure generates additional impulses for a new culture of cooperation between different levels of governance and different partners. We can also see that the current global context and the nature of challenges like climate change, energy security and efficiency, demographic trends, intensity of the use of natural resources, new education demands, make it necessary to seek actively new development opportunities at local and regional level. This context changes also the character of links between different levels of governance, from the ones based on hierarchy to those which are more based on common decision making and cooperation.

In the European Union, it is obvious today that we can put our society and economy on a long term sustainable growth path only if we share our tasks and responsibilities in a well orchestrated way between all levels of governance we have at our disposal – local, regional, national and European. EU experience so far clearly proves that added value of multilevel

governance does not stop at national level but gains substantially when supplemented with European level of governance.

From the viewpoint of the evolution of multilevel governance, the European integration appears an interesting case. The history of more than fifty years of European integration demonstrates that development of supra-national governance level has been accompanied by a parallel emergence and evolution of subnational, local and regional governance. It is also true that due to a substantial diversity in political state structures across the Union, which remain the matter of national competence, local governance structures can be found in the 27 EU member states at different territorial level. However, without any doubt the entire political territory has been experiencing over the last decade a clear trend towards decentralization.

In the European Union, the progress in decentralization processes has been accompanied by European regional policy. The Treaty states that it is the regional level of governance where the Union aims at cohesion – economic, social and recently, according to the Lisbon Treaty, also territorial. The sub-national structures of governance are filling the governance gaps for many issues important for citizens, for example access to public service of general interest. The decentralization movement or movement towards greater local/regional autonomy, complements state power and often strengthens it.

While explaining the link between multilevel governance and globalization, one should stress, on the one hand, that states in the global age do not deliver good local governance themselves. On the other hand, and at the same time, multilateral organizations that are supposed to deliver good global governance are confronted with growing limitations in terms of efficiency and effectiveness. This is largely linked with the fact that local impacts of global phenomena and processes are very strong and many of contributions needed to solve global problems can be only delivered at local level. Climate change provides strong proof for this observation.

That is why it is justified to see the multilevel governance as an indispensable innovation in governance which can lead to a better system of both global and local governance.

The starting point for our discussion has been the character of challenges we face across the world. They require regional and local responses. Also the crisis has generated the need of acting at all levels of governance. We can also see from the experience that respecting and exploiting subsidiarity can increase the efficiency and effectiveness of public actions.

From our discussion, from all examples presented here, we can draw the conclusion that decentralization does not just happen. It is man made and requires a lot of political good will, understanding, cooperation and well functioning institutional structures.

Decentralization is a process in making but it has already accumulated enough experience to share and support those in need. Decentralization implies involvement of many actors and partners, which means that multilevel governance is a process which should be organized, coordinated and institutionalized. We have agreed as well that transnational and global institutional systems do not reflect decentralization trends. Hence the need to identify the most effective mechanisms to make the multilevel governance go global.

Global governance does not take place at global level only, it is a bottom up process rooted in local development. The famous line that global problems require global solutions must, therefore, be reinterpreted. A large number of global problems produce strong local impacts and require local solutions.

The discussion has also underlined the enormous accumulated stock of experience and lessons already learnt in all those processes. The role of FOGAR in this field has been pointed at with a recommendation of further developing its function as network of those who want to cooperate and learn from each other. Its global institutional recognition can be of help, moderating the major weakness of the global institutional framework which is its ignorance of decentralization phenomenon. This is particularly worrying because on the agenda of international organizations there is a growing number of matters which have little to do with traditional relationships between the states. While it is true that those organizations have emerged as fora for cooperation between national governments, today they have to open themselves to new levels of governance.

Our challenge is how to make all levels of governance heard in international decision making. The world emerging from the crisis is more regulated and fairer. There is a chance now, a window of opportunity as institutional frameworks are being rethought and redone

in the context of the crisis and growing intensity of globalization to introduce new dimension into these frameworks. However, it is also worth stressing that apart from the above mentioned ambitions and needs, sub-national levels of governance should continue working through indirect channels of influence. Particularly important is the dialogue with national authorities, based on strong commitment of both sides to cooperation. Equally important is ensuring that within mechanisms of regional integration, of which the EU is a unique example, channels for such cooperation, policies stimulating regional potentials, networks and institutions should be developed. Subsidiarity principle should be reinvented, focusing less on defense of competences and more on sharing and cooperation.