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FEDERALISM IN THE AGE OF GLOBALIZATION

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The organizers of this forum have quite correctly established the link between federalism and globalization. In fact, globalization makes federalism more relevant than ever.

Only federalism makes it possible to establish what Edgar Morin has called "The complementarity between the principle of solidarity and 'globality' ", which requires us to address on a worldwide level problems which are global and general in nature, and the principle of subsidiarity, which gives national, regional or local authorities responsibility for handling their own problems within their areas of jurisdiction.

Clearly, it is urgent that we improve the way we organize this complementarity.

Our citizens are not entirely mistaken in their impression that, in the wake of globalization, the only factors that will matter in the world marketplace are laws of competition and the principle of the survival of the fittest, both of which they perceive as a threat. As a result, there is a risk protectionist forces will assert themselves. This, however, is not the appropriate response, since there is no turning back the clock. Globalization, moreover, offers substantial prospects for more balanced development, increasing prosperity and a better distribution of the wealth generated thereby. However, this potential will develop neither automatically nor of its own accord: it has to be organized.

A comparison could be drawn with the beginning of the industrial age and the early days of capitalism, when market forces ruled and everyone had to submit to them. At that time there were also people who wanted to slow the pace of industrialization, which they perceived as a threat to mankind. This, however, was not the best reaction. What was needed was to establish some ground rules, make some corrections and impose economic and environmental controls. This was the task of nation states and in this way a more equitable distribution of increasing wealth came about. Globalization, however, has made this national framework obsolescent, if not obsolete. A new worldwide framework is required,

together with sustainable and binding agreements; market forces and competition can no longer be the only rules of the game. This is why it is important that the U.N. and its specialized agencies, in the fields of trade, environment, poverty, population, women, human rights, and so on, organize major world conferences. These are embryonic exercises to progressively set the rules of the game in a world marked by globalization. Such processes develop more slowly, and with greater difficulty, than the lightning changes in the global economy and, although these recommendations still appear timid, we are progressing one step at a time. We also need to strengthen the impact of U.N. organizations, not only for setting the rules of the game but also to ensure they are properly applied. In this way, we will progressively "federalize" the world.

Globalization is also a source of alienation for our citizens. They have the impression that they no longer have any influence over the world order which is taking shape far beyond their reach, and they are also afraid of losing their own identity in the mix of a commercialized and homogenized world culture. And yet, providing that it is not sublimated, cultural diversity constitutes a wealth in its own right that must be safeguarded at all costs.

What our citizens really aspire to, then, are political structures which reflect their identities, respect their individuality and address their problems.

National governments, born in the 18th and 19th centuries of political and military power relationships, often meet these aspirations only partially, if at all. Hence the need for decentralization which is felt in many countries: in federal states, in terms of the strengthening of the federated entities, and in unitary states, in their conversion to federal states, because the differences inherent within the nation-state are such that they require different, individualized policies in a number of fields.

The best example I can provide to demonstrate this dual trend of unity and diversity and unity within diversity is probably that of my own country. Belgium was a unitary state, created in a somewhat artificial manner in 1830 as a buffer state between the great powers. It consists of regions where different languages are spoken but which also display significant economic and social differences. These differences were such that the need for greater autonomy became increasingly apparent. Beginning in 1970, the structure of the state changed progressively over a 25-year period from that of a unitary state to that of a federation. It was thus possible to respond more effectively to the specific problems of each of the federated entities. I should note here that the reform process was gradual and peaceful. At each stage, an agreement was concluded, based on a broad political consensus. Each time, Parliament approved the legislation involved by more than a two-thirds majority. Institutional creativity also had to be demonstrated in adapting federal principles to Belgium's particular situation.

It is worth noting that Belgium was not the only country to make profound changes to its institutional structure in response to new needs: most other European countries -- and not the smallest ones, as evidenced by the Devolution Act in Great Britain, for instance -- also became considerably more decentralized. Inasmuch as the expression "to federate" refers to concepts of bringing together and grouping, it was in a sense a process of "defederalization" which came about, albeit within a federal framework. In fact, it is essential to maintain a strong relationship based on structural cooperation among the autonomous regions. Otherwise, the differences would be exacerbated and lead to tensions or even conflicts, to the detriment of complementarity and, of course, solidarity.

It is not by chance that, since the end of World War II, European states have been engaged in a process of integration, through supranational cooperation, to overcome their conflicting national interests and to pool their strengths. During the first half of this century, nationalistic dissension twice drove Europe to the edge of the abyss, and indeed into it. Because of this integration, Western Europe has enjoyed 50 years of peace and stability, which in turn provided a solid basis for prosperity and for social and economic growth. It cannot be claimed, though, that the European Union is a federal state; the United States of Europe does not and probably will never exist. This does not prevent the European Union's institutional structures from displaying some of the characteristics of a federation, if only because the member states have transferred a portion of their sovereignty to the European Union. The creation of the European Monetary Union, and of the Euro as the single currency, was yet another striking demonstration of this phenomenon. Today, the European Union is confronted with the challenge of including the Central European countries in this integration process. Once again, integration is the only solution that can put an end to nationalistic dissension in the Balkans.

Yet all is not said and done: European integration is also a basic prerequisite for Europe to play its full role in the process of globalization. In economic terms, European companies enjoy -- thanks to integration -- a solid internal market, which gives them a strong foothold in world markets. In political terms, only a Europe that speaks with one voice can exert its full weight in setting the ground rules for the new world order. In fact, it is obvious that a balanced and stable world order can be envisaged only inasmuch as it comes about as the result of multipolar negotiations. This assumes the presence of equal partners around the table and an integrated Europe is indisputably one such partner. European integration, moreover, constitutes a source of inspiration for several large economic regions in South America, Asia and Africa, which have come to understand that integration is the only way for them to obtain a voice in the negotiations.

The world is thus engaged fully in a process of restructuring. In this respect, the parallel with what is happening in the corporate world is probably no accident. There, we see increases in scale, as well as the proliferation of SMEs. And the

large global corporations function in a highly decentralized manner, divided into business units which enjoy a large measure of autonomy. For the time when a product or service could be offered in a standardized format has gone: today's customer demands a more personalized product or service. Information technology makes this centralization and decentralization perfectly compatible. Political institutions must also adapt to this trend. Institutions must, by definition, be capable of evolving. Too often we forget that the nation-state was a concept that emerged only in the 18th and 19th centuries, on the flood tide of industrialization. Today, in the age of the information society, the nation-state, again according to Edgar Morin, "has become too large to take care of the individual, concrete problems of its citizens". The principles of federalism, which are in fact merely the subsidiarity principle translated to the institutional level, provide the spark for bringing about this restructuring. In this respect, federalism always presupposes loyal cooperation and genuine solidarity among autonomous units, thereby preventing the quest for and expression of unique identities from being sublimated to the point where nationalism, sectarianism or racism predominates.

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