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## STUDY SEMINAR THE REGIONS AND GLOBALISATION SPEECH BY MICHEL BARNIER

Good morning to each and every one of you. I am happy, for a number of reasons, Mr Presidents, my friend Xavier Gizard, I am very happy to have been able to accept your invitation and to be here today among the many friends, partners, I have met during the various missions it has been my honour to be involved with, whether as the European Commissioner for Regional Matters, which are of such interest to us, or as the French Minister of Foreign Affairs. It is my pleasure to greet you all, in your many capacities, with your political, administrative and associational responsibilities, and of course to say to Carlos Manuel Cesar how happy I am to be back here again. I also want to fully acknowledge the working relationship with his government in the success of regional policy and in particular the special importance which I attach to the Most Remote Regions. Also to Claudio Martini, to Xavier, to the entire CRPM team, the tremendous pleasure it gives me to find that they have not forgotten me and for allowing me once again to meet this wholly professional and dedicated team.

The regions and globalisation.

I would like, in the time allotted, to make a number of observations, with the aim of assisting in your work, drawing once again on the double international experience I have been fortunate enough to acquire through the European Commission and with my responsibilities for the diplomatic efforts of my country for a period of time.

My first observation concerns the CRPM and I want to say to those who have joined us recently or who have worked in this conference for some time, how fortunate we are that this structure exists. I want to point out to just what extent the CRPM has always been in the forefront of the debate and just how important it is for those, at any level, who have to make a decision, to propose a law or to discuss regional, national or European budgets. I can say this because I have experienced it. It is extremely important that there is available to you, and often in a non-compliant, critical, but constructive manner, an association such as the CRPM which is always some way in the lead, driving one on, causing one to rethink and take note.

I would like to offer this experience and to say that the value of this conference is to propose, analyse, understand and compare experiences and initiatives. And this is where your strengths and credibility lie. I also believe that your experiences in terms of the diversity of the regions you represent, your political opinions, this confrontation here, within the CRPM and in the midst of the worldwide confrontation, enable you, above all, and this is a second observation, to truly understand and see in this worldwide confrontation, that the regions, like the States, are not equally well equipped. There are some who have the size, population, history and economy making it possible for them to work with and derive the benefits of and, sometimes even to take the lead in this globalisation. And there are those regions, I know of many and I am firmly committed to these as the European Commissioner, that do not have the size, the geographic advantages or the economic strength, and that are thus compelled to endure. But what I do know is that in both cases, whether one has the capacity to work with, or even to lead the globalisation, and to derive the benefits of it, or whether one has to endure,

the regions, my friend Claudio, are effectively in the frontline. They are the first to encounter the opportunities and the difficulties. Earlier I had a conversation with the Minister representing the Canary Islands regional government and we were discussing the high level of immigration, which is not aiming for the Canaries, but is heading for Europe and that needs to be brought under control. This is a region on the most remote periphery, a European region in the frontline and that is required, but not on its own - it could never manage on its own - to manage, control and maybe even turn this flow into an opportunity. It is thus my belief that we need places and opportunities where all of these regions, whether enduring or capable of constructively working with globalisation, can be together or equally respected. Following from what Claudio Martini said, where differences and diversity do not create fear because we are together, we are learning to know and respect each other, Finally, these opportunities, these moments, when we come together in an accepted, assumed and happy diversity, these opportunities and moments are not all that frequent and we need to foster them. That is the real achievement of the CRPM, in bringing together one hundred and sixty European regions and opening a dialogue with other regions around the world as here, today: the regions of Africa, of Latin America, Russia and Asia. It is thus important to facilitate through the CRPM, because the regions cannot do it on their own, a collective, collegial partnership with major world institutions that are not always able to address the regions, municipalities, directly. I am of course thinking of the United Nations, the United Nations Development Programme and the World Bank. I would thus like, in this first part of what I have to say, to say because I believe it is important, that what you are doing is truly of general interest, by creating this network, of European and world regions, and by sketching out what could be a part of the dialogue with the major world institutions as, in effect, a world network of regions.

It is perhaps, and this is my first response to the question you asked me to consider, the key or the conditions for a successful globalisation, or perhaps an initial response in managing globalisation and giving it a soul, bringing it closer to the citizens who are anxious, to form with you, through you, perhaps with others, a real network, a real system of world regions.

We are still a long way from a managed globalisation. A book, which enjoyed some success in Europe and France, talked of a happy globalisation. Once again, if we look at the state of the world, we are a long way off this. And when we talk about globalisation, I think we should first of all note that this globalisation is a recent, harsh and fast-moving phenomenon, and one that was naturally accelerated after 1989 and 1990 with the collapse of the old world order, of that system in which the Americans on one side and the Soviets on the other, each with their sphere of influence, imposed their rules on one half of the world. Claudio, you spoke of a single worldview, before 1989 we were in a period with two exclusive ways of thinking, if I can put it thus, that were imposed on all countries continent by continent. That world collapsed, that order collapsed, happily, through the actions of peoples seeking their freedom, and they were many. But there then followed an acceleration in this globalisation. It is extremely interesting to look at how fast time moves, at the speed of these globalisation phenomena as described by President Barroso earlier. There is a French politician, who you know, for whom I still have a great deal of admiration because he was at the source of my personal commitment, he was General De Gaulle. And for personal research I reread his speeches during the 1960's, when he founded the Fifth Republic in France. And whilst General De Gaulle was someone who started a decolonisation alongside my country, who made great speeches in resisting this bipolar world, in getting the voices of the smallest countries listened to, I could not find anywhere in his speeches, any trace of what globalisation has come to mean today. There was no mention of ecological challenges. Of course I am not talking about the Internet, or even financial exchanges because at the time, back in the 1960's, and not that long ago, in all countries, capital exchanges were forbidden or restricted and the approval of the Ministry of Finance was needed before any capital could leave or enter a country. We are in a world where change happens very quickly and abruptly with a new geopolitics, new paradigms and thus a need for a new governance. It is right, I feel, that you ask where the regions fit in. You could also add, what is the role of civil society and NGOs in this new world order. During these two days you will consider, with examples, expert analyses, experiences, facts and figures concerning this globalisation, its dangers and opportunities. And I would simply like to flag up a number of elements of the diagnostic process in which we have to work, act or react.

But first of all, of course and providing the greatest evidence of this globalisation, the incredible expansion in trade and growth. Growth at the world level of 4.5% a year, trade increasing at the rate of over 8.5% a year, and within this trade, movements that are equally interesting and important, I am thinking in particular of what is happening between China and the United States. These figures are

extremely interesting, and it is interesting to note that the United States sends exports worth 47 billion dollars a year to China and that China sends exports worth 162 billion dollars a year to the United States. And that China holds 320 billion dollars in US Treasury Bonds. We thus see the specific interest that these two countries – which today are the world's two superpowers – have in having a special relationship between them. We also see the consequences that this can have on the rest of the world. Thus an inequitable increase in trade and growth with, as we well know, the rich getting richer and the poor becoming proportionally poorer and poorer. Thus a poverty that feeds humiliation, that feeds dissatisfaction and that has the potential to feed through in a whole variety of protest movements and some of which are of an extremely violent nature.

Increased competition at all levels, which can of course stimulate and I do not think we need fear competition between ourselves, it exists everywhere in life. A competition however that can also exploit in particular the weakest, including sometimes children, and that can accentuate the instances of corruption that are often associated with money and trade.

A globalisation of information with a bias in favour of those holding most information, major multinational corporations at the heart of modern systems, cultural reference points. The danger as Claudio Martini pointed out earlier is that of uniformity. And at the same time, because all phenomena have positive elements, this globalisation of information is also that of access to information for all people, which also facilitates a movement to democracy. We have thus seen, as of the 1990's, a considerable increase in the number of democracies in South America, Europe and in other countries, including in Africa, to reach today, based on the figures from the NGOs that compile democracy indices around the world, a figure of one hundred and fifty or sixty. I note, however, that in recent years, following this strong growth in democratic peace around the world, and the advance of human rights, there has been a stagnation in the last ten to fifteen years, in the progress of countries towards democracy, as if we had reached a plateau. As well as human movements in the form of the immigration phenomena of which I spoke earlier, and thus for myself and for us, what is probably the most problematic, the most insidious and the most serious challenge that we need to place at the top of all our policies and public actions is that of the ecology and that of climate change which will undoubtedly have, over the forthcoming decades, the most serious consequences and extending to local infrastructures, agricultural production and all production systems resulting from climate change and the gradual disappearance of biodiversity. Everyone is in agreement, which was not the case twenty or thirty years ago. All the experts agree on the conclusion that the climate is changing, that temperatures are rising and on the fact that between now and the end of the century heat and temperatures are going to increase between two and six degrees in less than a century, even though this is the increase we have seen since the end of the ice age. Because three to four degrees more since the end of the ice age, is the change we are going to see between now and the end of the next century, the end of this century. It is thus a significant change and we do not yet have the complete measure of all its political and regional implications and with this, because these things are linked, the gradual impoverishment of biodiversity. I recently read the figures published by those monitoring the state of biodiversity and concerning the probable disappearance of 16,000 species all of which we need, including for research and health: one amphibian in three, one bird in eight, one mammal in four, one conifer in four are on the road to extinction. Without wishing to paint a picture of doom for our current situation, undoubtedly a complex world and a world in disorder with of course in this world disorder, a globalisation of the dangers of new threats and traffic of the countries, and as I said earlier the regions are not equally equipped in confronting these phenomena. I mentioned China and the United States: if one looks at a map, maps are often more interesting than words, it does not take a lot of time before one understands that what is happening at the moment is the organisation of the disorder of the world as the world order for the coming years, and who will or will not be at the table when this world will be organised or this disorder will be organised. There are countries that are there already, including of course the United States, hyper-power. It is also true that some US leaders feel that they alone will be at that table. I have never criticised the Americans for being strong, I have always reproached the Europeans and others for being weak. The table already includes the Chinese who are going to be on an equal pegging with the Americans, if they have not overtaken them. And other countries, the world atlas once again shows quite clearly, have no need of anyone else. Their sizes, their populations, their natural resources, mean that they are or will be at that table of major powers who are going to organise the world order or disorder. This is the case as I have mentioned for China and the United States, but undoubtedly also for India and Brazil. It is the case for Russia which

is going to return and thus the question that needs asking if one does not live in any of these countries, even if one is a friend of these countries such as is the case for Portugal and Brazil or even France when we are allied, the question that needs asking is, "do we want to be at this table with the major powers, or have we given up on that and are ready to accept a gradual shift into a situation of influence or rather of subject to influence, and finally, for our economy, of being in a situation of subcontracting?" I am, my friends, speaking in a personal capacity here, and not for either my country or for the European continent, I am going to say in conclusion that I will never accept to be subject to influence and in a situation of subcontracting. That is not how I see the organisation of the world in the coming years. Thus the question in this scenario I have tried to describe by way of illustration, and naturally vague and incomplete, offering a few facts and figures on the opportunities and dangers of globalisation, the question we need to ask, is not about whether one is for or against globalisation, but in knowing whether one is a spectator or a player, whether one endures or tries to manage it. The question of whether one is for or against globalisation is off-target. I can report that in the recent debate, in my own country, at the time of referendum on the European constitution, we heard a number of speeches, and it was not uplifting, but I listened, explaining that we must reject globalisation. This is quite simply the wrong issue. It is a fact that all of this trade, this growth, all of the dangers are now a part of the global village and the entire planet on which we live. So the real issue, I believe, is about how to manage, how to regulate and how to humanise this globalisation.

I would again like to raise a number of alternatives which will all, in one way or another, return in the concluding remarks of your President Claudio Martini and with which I am in full agreement and that are clearly concerned with governance: The various levels of governance that we absolutely must reform and as Claudio Martini previously and President Barroso earlier, said, using different words, that there exist this disparity between the economic, human and ecological world reality and the systems of political governance. We therefore need to reduce this divergence and ensure that we remake the systems of governance and the systems of regulation. Firstly, at the planetary level. World political governance, of the United Nations and its various agencies, needs to be overhauled. This is what Kofi Annan, its Secretary General, is with great enthusiasm trying to achieve but not always with great success. The Security Council is also in need of renewal as it can no longer simply be a representation of what the world was like after the Second World War and there are a number of countries which I mentioned earlier that have a right and the same interest for us all, in being a part of this. This must thus be the place of law, the place for respected diversity and at the same time – because I am talking about political governance – for the support that we must give to the regulatory organisations for justice such as the Court of Justice in the Hague. We then need to improve economic governance and the solidarity that must be created as a part of this economic governance. One of the places for this governance is of course the World Trade Organisation which today is led by my former colleague and still friend, Pascal Lamy. The WTO is under pressure today. There are sometimes doubts about the role of the WTO. Its role is changing because we are seeing increasing numbers of bilateral agreements between countries signed independently of the WTO and its role is thus going to change, I believe that Pascal Lamy is greatly concerned about this. However, what we are seeing with these bilateral agreements, where the Americans have taken the lead by signing even more, is each country trying to get it wants from the countries that suit it and I am not certain that the fairness I spoke of earlier, and justice, are served by this scramble to sign ever more bilateral agreements. I am even convinced that on the contrary, these increased numbers will create tensions that will then have to be managed and this will become the role of the WTO. But, in terms of economic governance, there is also solidarity with credits that we need to protect for public development aid and also the new resources we need to find. I am thinking of these new resources, those which a number of Southern and Northern countries have jointly contemplated with the tax on plane tickets and allocated to the fight against infectious diseases. I believe that these resources are needed, that sustainable and stable systems that are not always dependent on governments must be created as with economic governance. I have a great deal of hope, Claudio, Xavier Gizard, for an increased level of decentralised cooperation between the world's regions, those that have had the opportunities and those that have not as yet, through the sharing of experiences and economic support. Improving, and this is a third point, governance in the spheres of ecology and health. We must, you must, work to achieve the creation of a world environmental organisation to extend and strengthen the existing organisation. I am thinking of the United Nations Environment Programme for Nairobi. And, I will finish on the issue of continental governance, once again without trying to preach and especially as a Frenchman bearing in mind the no vote in the referendum in my country, this is not a time to be giving lessons,

but perhaps because it is possible to be a patriot whilst also being resolutely European: explaining to those who live on this continent, and there are many of you here, and to those who are looking at it from outside, the Maghreb, the other side of the Mediterranean, Africa, South America and Asia, what we have done in Europe in the past fifty years in managing globalisation. This is another key I want to highlight, that of a continental structuring of our world in the way that the Europeans have shown to be possible, with the ability to go beyond History and its tragedies without forgetting it, managing to get beyond nationalism without getting rid of nations. Genius, luck or the example of the construction of Europe and at the same time its problems, we are twenty five nations, large, medium and small, all with different histories and institutions, and twenty one different languages and nevertheless for fifty years, gradually, step by step, we have succeeded in establishing joint policies and actions, sometimes even federating without losing our nations, by building a Europe that is gradually becoming increasingly unified without becoming a uniform Europe. I feel that this form of continental organisation is one way of mastering globalisation, in any case, a suitable first level, suitable for giving this globalisation, continent by continent, a more humane and fairer dimension. But, naturally, we need to take care. Claudio talked earlier about how the situation has stalled, I believe that this breakdown is a serious one but I am not giving in to any fatalist euro-pessimism. As politicians we have to be many things but never fatalistic. I sound the alarm and call on you, in your roles as political representatives, for those of you who live in Europe, to be vigilant. I believe, Ladies and Gentlemen, friends and colleagues, that this project is of such vital importance for us, so that we can sit at that table with the superpowers as I talked about earlier, because no European country, not one, has what it takes to sit at the table on its own with the superpowers. This is the answer to the question I raised earlier, if we do not want to be under the sway of the superpowers, if we want to be more than just a spectator, we need to be at that table. We will never be there if we are not united as Europeans, with a capacity to be a political player with foreign and commercial policies, a policy for cooperation, a policy for joint defence. We will never get there if we are not united behind this policy as European. I believe that the European project is in a fragile state and that if the impetus that we expect from the Heads of State is not given between now and 2008, with a reasonable timeframe for the political rebirth of this European project and improvements in the ways in which this Europe works, increasingly difficult with twenty five countries, and with the tools to give it a foreign policy and defence capability that will enable it to consolidate the single market and currency together with a political dimension. I think, and this is my final point, that one of the keys in managing globalisation is in encouraging other continents, with their cultures, traditions, histories and their own methods, to organise their lives in respect for the nations of that continent, but by giving them a form of mutualisation such as we are beginning to achieve here in Europe whilst remaining vigilant. Final observation or final key: I believe that this globalisation which is a source of anxiety, and which is sometimes or even often distressing, demands greater democracy. Fear feeds on silence and at the same time demagoguery and populism exploit fear. We can only fight fear, demagoguery and populism through democracy, through debate, explanation and education. We therefore need, from where we are now, each of us, Presidents of our regions, politicians, European representatives, to give more time to educating the world, for this education about a world society. I know that people are intelligent, I know that our citizens are intelligent, that they want to understand, that they want their leaders to provide an objective explanation of the reality of today's world and through this they will become less afraid. I have talked a great deal about Europe and this will not have come as a surprise to you. Just the other day I heard a major figure from one of the large countries in the European Union, a British representative, say something that challenged me. He said to a gathering of which I was a member that he was convinced, and this is not always a surprise from the British, that the economy was global and that politics were national. The economy is global and politics national. I thought to myself as I listened, "what about Europe?". One could ask, what about the regions? I said to him and I repeat to you what I said in response to this phrase and have conveyed to you, that my belief is that part of the economy is European and that part of the economy is regional. I add that part of politics must be European and that the other must also be regional. This is also one of the reasons why it has given me such pleasure to share my experiences with you and offer my observations with the hope that they will be of use in your deliberations. I thank you for listening.