

**A NEW TRAJECTORY OF THE REGIO FUTURES PROGRAMME.  
THE TRIPLE EUROPEAN MEZZOGIORNO**

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## **INTRODUCTION**

Antoni Kukliński's research proposal: "*A new Trajectory of the Regio Futures Programme. The Triple European Mezzogiorno*" (Warsaw, June 2008) provides an important theoretical and methodological frame for the study of the European regional structure and policies. It is a very needed effort because the wide range of regional studies at disposal and their innovative promises have certainly produced new academic orientations and schools of specialization, but haven't produced new policy orientations able to influence the strong regional inequalities in Europe.

Furthermore, the traditional as well as the new academic specializations ("new regionalism") have been dominated by the assumption that Globalization is just another wave of capitalist internationalization managed by a new policy orientation (neoliberalism) and not instead a profound transformation of its dynamic able to modify the relations between national economies and regions. Therefore, the question to be put forward is: is there something wrong with the policies and their implementation or the problem rely in our understanding of regions and their relations with their and other markets?

These questions are not rhetorical. 'Globalisation' is the term denoting the new stage of internationalisation of the economies of individual nations or blocs thereof. The concept implies that the technological advances and market forces of the richest economies have spread, or have the potential to do so, throughout the world, a connotation that has induced social scientists to talk about the 'global village'. Despite the 'global-village' rhetoric, a progressively increasing

concentration of economic and financial resources in the tripartite nucleus of the world's economy, i.e. in the USA-EU-Japan, has been noticeable since the early 1980s—a phenomenon identified as 'triadic globalisation' and 'global apartheid'.

This overall scenario is being accompanied by the expansion of the EU to include new countries in the Baltic, central European and Mediterranean regions. Yet another trend, a result of triadic globalisation's increasing gravitational pull, is emerging in contrast to the apparent success of the EU. It is marked by the difficulties it brings to the restructuring of the economies of the member states and by the obstacles it throws up in the path of EU cohesion and of the economic cooperation of Wider Europe (WE). It is the rise of new socio-economic disparities, hereinafter called marginalisation, within the WE, as well as among the EU's member-states and regions. The current position of the traditional European backwards regions such as Italy's Mezzogiorno and of the new ones such as Eastern Germany and Eastern Poland ought to be studied and evaluated within these processes.

Regional studies are mainly informed by the prevailing economic theory generally posited on the assumption that the extension, in successive waves, of what is considered to be the 'model' of modernisation of an advanced economy to regions increasingly distant from it (from the 'center' to the 'periphery') and to which other countries must gradually adapt themselves. Yet what we have witnessed since the 1980s, is a marginalisation that has extended its reach to entire regions, as evinced by certain production and international trade indicators for selected industries.

This marginalisation has produced its own models of specialisation in production, which reflect in various countries and regions the needs of the triadic market forces. The new models that have emerged in the countries of the Baltic and Mediterranean regions have been analysed by charting (i) changes in trade patterns through variations in production indices, both general ones and

those for selected commodities, and (ii) the developments over the last few years in the trade relations among the Mediterranean, the Baltic and the EU.

The “innovations” and “efforts” made by regional studies and policies have been concentrated on how to adapt local economies and regions to these new territorial distribution and labour division well-knowing that they were not welcome in the new “core” of the Global economy and that the success of some “good practices” would have been possible only at the costs of any coherent spatial and social strategy. As we will see in the follow, the innovation proposed by regional studies has been build on the denial of the existence of consolidated dualist structures in European Regions (i.e. Mezzogiorno), with the attempt to pursue a fragmentation of the territories in order to obtain the colonization of single parts or elements of them.

These approaches have not given the analytical contribution requested by the EU’s official documents with the central position given to the problem of a coherent system able to include the objective of economic modernization and competitiveness, social cohesion and economic cooperation with other areas.

## **THE REGIONS OF EUROPE: 1950-1990**

Europe’s transition from the post war period to a new era of cooperation and peaceful development, within the limits (im)posed by the cold war was mainly centred on the national states as main actors. The implemented economic and social strategies focused on the creation of common structures and policies (energy, agriculture, market, etc.) able to create common links while reducing obstacles to the process of integration.

A serious reconsideration of the spatial perspectives of the European Union and its territorial and regional implication started after 1989’s, when the possibility of a general reconsideration of the overall picture of the process of European integration became a reality. There was a general agreement that

coherence should be established in order: “to strengthen the overall capacity to participate in the international exchange of goods and ideas and to secure the continent its appropriate share in future world development.” (*ARL, Towards a New European Space, 1995: 7*). However, the mentioned and other reports (Se Amoroso, *On Globalization*, Macmillan-Palgrave, 2000) pointed out that a territorial cohesion established on the varieties of its regions required a polycentric approach and institutional structure able to overcome the existing power, research and industrial concentration in the “Inner Ring” of the European Communities (*The Gordian Knots*). It was clearly stated that the existing spatial structure: “must be fundamentally changed if long term stability is to be achieved”, and that the: “concentration of innovative research and development capacities in a few centres (...) and the relative lag of other regions, is not the only but one of the most serious aspects to be considered when an idea of a new strategy for Europe’s development is to be conceived.” (*Ibidem*).

Therefore, the shared conclusions were that the modernization and up-graduation of the European production systems and the achievement of a spatial and social cohesion required a new approach able to reconcile the potential and varieties of cultures and production systems of the European Macro Regions (Western Region, Mediterranean Region, Baltic Region, and Danube Region) (*Alexandrian Solutions*), with these overall objectives. This imply that each member state creates the best possible conditions for activities at its regional and local level.

This new European Regionalized Development Strategy: “must express and recognize that development does not primarily imply economic growth, in its traditional sense, but corresponds to a comprehensive view of the necessity to improve production as well general living conditions for all those parts of Europe’s territory which do not have what are considered acceptable minimum standards. Only such a comprehensive and regionalized concept and the determination of all European partners to implement it can justify a reallocation

of resources by means of inter-regional and international transfers on a large scale. Without such transfers, stabilization and peaceful integration will not be achieved.” (*Ibidem: 12*).

These proposals were clashing with the prevailing theories and policies of Globalization and a monocentric approach prevailed on the polycentric one (*Maastricht Treaty, Lisbon Agenda, etc.*). The outcome is the increasing old and new inequalities among European Regions with the following social and political conflicts. The prevailing approach in European and National regional policies, with centralised objectives elaborated on abstract principle of competition and efficiency, independently from the local and regional needs and production systems, have produced the predictable failure in the achievement of the objective, while the invested financial resources have contributed to the strengthening of the obstacles to local and regional development frustrating even more the capability of local production systems.

## **THE REGIONS OF EUROPE: 1990-2008**

The general failure of the EU’s economic and social policies influenced by the relocation of economic activities in cheap labor cost, the persistence of lagging regions within the EU and the strengthening of this trend after its enlargements have called for a critical reconsideration of the implement policies and objectives.

A “strategic framework” for the European *Spatial Development Plan* formulated in 1999 re-launched the objectives of cohesion and competitiveness while maintaining a territorial balance among European regions. The document made a number of concessions to previous denied approach by including in its vocabulary the concept of polycentrism, but its use was limited to the problem of general and abstract sustainability, urban-rural relationship. The regional local dimensions were considered only in term of exploiting the best of local

resources for the overall objectives global competition. The possibility that regional “diversities” could represent risks and burdens to the achievement of the EU’ general objectives for global competition were stated in the *Territorial Agenda* (2006).

The objectives and the methodology were still the traditional one, but re-launched with vigor in direction of the need to force local and regional economies into a pattern of adaptation to Globalization structural needs and (neoliberal)policies. This approach influenced of course the direction and use of the EU’s financial aids, that were therefore diverted from truly objectives of local development and regeneration of local production systems to imposed priorities (big infrastructures or financing of service/finance structures). A truly polycentric orientation would have pursued the revival of regional economies combined with the creation of polycentric mesoregional aggregations of markets and production systems with wider stabilization effects on regions and territories. The proposed one insisted along the line of expropriation of territories and regions of specific resources and inputs necessary for development elsewhere.

This position is confirmed in the recent document for a *Territorial Agenda 2007-2010*: the principle of convergence between lagging and advanced regions in Europe is stated as functional to the objective to make Europe the most competitive macro-region of the world, despite the facts that all indicators and experiences about territorial development show the inadequacy and misleading character of these interpretation and policies.

## **THE TRIPLE MEZZOGIORNO**

The outcome of such situation, characterized by the missing coherence among policies and the lack of agreement about the overall objectives, is that the transfer of financial resources with development aims from Europe’s richer

areas to the poorer ones has not produces the forecasted results but increased their disparities and conflicting tendencies.

The paramount significance assumed in this respect by the “development” experiences of the *Triple Mezzogiorno* – Southern Italy, East Germany and Eastern Poland – is emphasized by Kuklinsky’s proposal that focus on them as the cornerstone of this analysis.

The three European regions selected for the focus of the research - Southern Italy, Eastern Germany and East Poland – all share, despite their different locations and historical backgrounds, some of the main features that make them an original and important case to be analyzed.

By following the Kuklinsky’s theoretical and analytical framework- long duration, barriers to development, Gordian Knots, Alexandrian Solutions – a path for future research and action emerges:

### ***Long duration***

The regions have commonly experienced three stages of development:

(i) a long period of “dualism” within their respective countries during the period of formation of the national state and market;

(ii) the “cold war” that has made these regions dependent on strategies implemented by and based upon the East-West confrontation;

(iii) the effects of Globalization since the 1980s, marked by “economic marginalization”, “political destabilization” and “social exclusion”.

- *Dualism* appears to be a long standing character of these regions that survive, although in different forms, also during the second and third stage. Dualism ought to be verified in the Triple Mezzogiorno for the differences that might manifest in each of the mentioned areas. However, it should be noted that by dualism we do not understand

differences in single or specific indicators but an overall situation of dependency of the mentioned area from the national market and institution. Dualism is due to an overall and persistent diversity from the rest of the country reflected in the triangle culture-nature-production systems. Such diversity could be the “cooperative advantage” of the specific regions or can become, as in the cases in question, a dependency form from dominant markets and, as in Globalization, the cause of marginalization and social exclusion.

- *The cold war* has aggravated the dualism of the three mentioned areas by creating obstacles and aggravating the relations with the surrounding countries and meso-regions to which they naturally belong. For the Italian Mezzogiorno it has isolated it from its Balkan and Mediterranean context, transforming its role from being a bridge towards these areas into a insecure and militarized boarder. The Eastern regions of Poland and Germany have experiences similar situations within the specificity of their territorial context.
- *Globalization* has diverted the possibilities offered to there regions by the end of cold war introducing new factors of centralization of development in favor of the strong countries and market. The crisis of the Western economies and the rise of the new economies in the South and Far East is demonstrating the failure of this choice and the need to re-thing space and territorial development in a new light. The 2000s increasing militarization of the international relations toward the East and South recreate the obstacles of the cold war.

### ***Barriers to development***

Developmental barriers have been caused:

- (i) during the first stage, by the imperfect integration of each region into their respective national states and national markets;
- (ii) during the second stage, by the imposed divisions – in the East and the West – due to the cold war;
- (iii) during the third stage, by the convergence of the development logic of European integration with that of Globalization.

Barriers and obstacles have emerged from geographic, political and cultural attitudes and priorities. The increasingly Eurocentric orientation of Western Europe and the strengthening of its link with Atlantic ties undercuts Western Europe's duties to the frontier regions of the European Union. These outer regions have historically functioned as cultural bridges for the European culture in its projection to the East, and to the Mediterranean culture. The economic, social, political and cultural structures of the regions are not able to reverse this process, further strengthening the barriers.

The history of each of the three regions has caused a present mechanism of political, economic and culture dependencies that ought to be independently analyzed. The policies of “*aid*”, in the various forms it has taken in the EU vocabulary and policy measures, has generally contributed to the weakening of the autonomous economic, political and culture capabilities of each region.

Specifically, the financial flow of “*aid*” into the Italian Mezzogiorno has become the main instrument weakening the regional political institutions and production systems. The political system has increasingly become financially dependent on these flows and legitimized by their distribution to maintain political consensus. The basis for the use of the funds and the making of consensus has produced an increasing dependency on criminal organizations. The dual goals of democratization and genuine and sustainable local development have been pushed aside. This trend has established a vicious circle

of dependency, making it difficult for the regional and local institutions and production systems to survive in the interest of the region.

This system in Italy has penetrated the economy with its by now infected financialisation and it controls the central state down to the regions and municipalities. The mechanism is simple to explain. Up to a certain point in the history of Italy, I'm speaking of the immediate post-war period, the political institutions, both national and local, drew their legitimacy and eligibility from the ability to represent the interests of their citizens and their communities and, above all, to support the common good and local productive systems. The modernization of the post-war period transformed the political and local productive framework, first with the Southern Italy Development Fund (*Cassa del Mezzogiorno*) and then with the European systems of funding. The productive systems are now dead, the communities now emptied out by migrations. What is left for the institutions is to manage an enormous flow of money, from the State and the European Union. Flows that for the objectives and schedules that are envisaged, do not have the entrepreneurial systems and communities able to absorb them downstream. For this reason, political power has been grasped by jurists, political wheeler-dealers and graduates in general, that emboldened by the legitimisation given them by their role as distributors of funds, have used them in order to reinforce electoral consent and for their own affairs. In absence of local productive systems, the only "company" in a position to manage huge sums for services and infrastructures, and at the same time guarantee the votes needed for the politicians in the institutions, is the criminal economy. This has led to that perverse interweaving between politics, institutions and criminal economy.

A recent doctorate thesis of the University of the Calabria (Greco O., *Eventi storici e società civile nella Calabria del secondo dopoguerra. Comportamenti culturali e forme identitarie nelle trasformazioni della modernità*, 2008) analyzes this process well:

“The season of special interventions and the transfer of resources has coincided, perhaps not by chance, with a deep transformation of the Calabrian mafia phenomenon. Up until the 1950s, the ‘ndrangheta families enforced ‘reputation and respect’, in specific areas of the region, through inter-family feuds, embezzlement and threats shrouded by specious ‘traditional values’, but these were not decisive for the overall economy of the region. In time, the same families understood that wealth, which in the traditional Mafia might be the outcome of the capacity to gain respect, “becomes the basis of reputation and its possession is obligatory for the acquisition of any position of respect”. This leads to a direct interest towards the flow of wealth reaching Calabria through the special interventions. The ‘ndrangheta takes part in the tenders, in the management of public works, in community integrations for agricultural production, in the management of the public services. It conditions politics and colludes with it, it expands until taking on the modern-day characteristics of a powerful criminal enterprise. It acts at an international level in drugs and arms dealing, in which the original features linked to the geo-cultural origins become only the symbolic container of an organization that moves at a global level with modalities that go beyond any cultural belonging.”

### ***The Gordian Knot***

At this point, in order to conclude, some questions cannot be avoided. Can the political system reform itself? How can a system of balanced power, complete with suitable controls and oriented toward the common good be recreated? How to resume control of the predatory economy and re-establish conditions of normal activity, both for the necessary social actions as well as the honest private activities of citizens? The urgency for fitting answers is manifest given that until they are found and applied, the predators will continue their savage

incursions. I believe that the problems should be tackled by using the method proposed recently by the authoritative Polish observer (Antoni Kuklinsky) who advises to individuate some nodal points - the Gordian knots - and apply Alexander's solution to them.

It is not difficult to grasp from what has been said up to now that the Gordian Knot to be undone is that of the power of the predators that uses finance as a lethal weapon against communities and their economy. The financial system, set out as intermediary and facilitator of exchanges between the system of production and the State, has ended up by subverting both, assuming *in primis* the government of societies. The market economy has transformed itself into an *économie casino*, a 'hazard economy'.

The new centres of the global economy are no longer big enterprise or industrial centres but rather the stock exchanges, the tax and banking havens, the countries that "compete" by offering concessions to financial and industrial speculation. The freeing of markets has transformed these non-places into "health centres" for capital, whatever its origin. It is in these exclusive clubs that international finance is reassembled with the separate branches of the family that have chosen the way of weapons, drugs, prostitution, organ trading, in a word the way of "organized crime". It is in these "health centres" that the miracle of healing takes place, transforming illegality into normality.

The "globalization of crime" becomes the "crime of globalization" that makes headway by erecting and preaching a new international law and its own international courts in order to maintain its status quo." (Amoroso B. "Le vie del...denaro", *Interculture*, n. 4, Città Aperta, Troina, 2004; and "Globalizzazione e criminalità", in *I crimini della globalizzazione*, edited by M.A.Pirrone and S. Vaccaio, Asterios Editore, Trieste).

As attested by a study of great, though equally unrecognised, importance:

“The world of 1998 no longer resembles that of 1978. The United Kingdom construes a quarter of its wealth with activity of the City. Shares traded in the Paris stock exchange represented 20% of the state budget in 1975 compared to 120% fifteen years later. Speculative finance has effectively become the engine of the global economy. Little more than 1% of currencies exchanged daily in the world is used for traditional commerce, namely for the exchange of goods and services”( Aa. Vv. *Un monde sans loi. The criminalité financière en images*, op. cit., p. 40).

### ***The Alexander Solution***

And so, what is to be done? The Alexander Solution must be to disarm finance, re-transforming all the kinds of financial transactions into relationships based on the real exchanges of services and goods. To drain therefore the financial flows, towards the regions from the regions, towards the State and from the State, towards the Municipalities and from the Municipalities, thereby suffocating the life conditions of “illegal” activities and bringing back the economy onto the paths of the production of necessary goods and services for community life.

This is possible, in my view, only by starting off from the bottom, from the daily life of people, from the families and communities that are the first level of expropriation enacted by the banking and financial systems. There should be two paths to take. Eliminate the causes that make resorting to money and the banking and financial systems necessary in people’s everyday lives. Money has been made necessary by someone establishing that it is the only instrument enabling access to something with a price. In our everyday life, these things are the house, water, schooling, health, infrastructure, transport and so on. Well, declare these things “common assets” of the communities, with joint forms of financing and entrust their management and care to the users. We can transform a large part of these services into movements of real goods and services. We can

avoid then that a flow of finance, equal almost to half of the wealth produced, leaves the pockets of citizens for the State, to then return through obstructions and institutional and private channels of various levels that direct the majority towards predator groups.

The second level of money usage is linked to the phenomenon of consumerism, of which a part is the useful and preferred consumption by citizens, and another part the addition of “drugged” products, imposed by “lifestyles” created by disinformation, advertising and unethical forms of social living. It is at this level that the notorious goods-money relationship is formed, which leads to a degeneration of both. Well, we rule out advertising, replacing it with critical information on products. We re-evaluate the relationship culture, environment and production system, the local commerce and the choice of local produce, making instead products of import or technological creation a burden, which is the opposite of what happens today. This means giving back the real dimension of market to trade, developing and protecting the local network of sale and distribution.

It is in this framework that currency can then return to its true function as mediator of exchanges between income and goods, as an advance on private and social investments. For this reason, beside the persistence of a national currency, the value of local currency, of forms of credit-payment based on the determination to sustain the local community life, the small distribution etc is to be rediscovered. The popular credit banks and the savings and loan companies, strangled at the beginning of the process of globalization by the financial predators, arose and grew precisely to collect local savings and in support of economies. The creation of the domestic market, the national currency and the national banks first, then the European market, the European currency and the European banks today, have been used to expropriate the savings of citizens of the various regions to fund projects and development plans elsewhere, projects

that have proved disastrous both for local communities as well as the country as a whole.

A healthy basis of forms of local credit, decentred and managed in forms of cooperation or strong participation, can constitute the grounds for national credit institutions that operate as common funds of solidarity for the creation of common infrastructure, in order to guarantee the common goods to all citizens and members of the communities. But these processes of gradual widening of community bases can only happen if the democratic criterion of one vote one person, is replaced by the participatory system of the right of veto by the part of the communities towards unshared decisions. Once the finance has been drained off, the predatory power groups of our communities and economies asphyxiated in such a way, then also their representatives in our central and local institutions will fade away. It will finally be possible to breathe life into a new political class, to institutions able to once again set the public interest and the common good at the heart of our real worries and objectives.

### *Conclusions*

The Gordian Knots are represented by the dominant interaction between corrupt institutions and criminal organizations. The Alexandrian Solution requires the severing of these financial links to re-establish a high degree of autonomy and self-government for these regions. This means setting local development at the center, along with its implications of greater autonomy and self-sufficiency. The Alexandrian Solution should therefore upturn the globalization objective “from global to local.” This measure will leave the region with the only option—to adapt to the new priority of local development, thereby transforming the region. By adopting the new objective “from local to global” the need, interests and aspirations of the local and regional communities are again made paramount.

External phenomena have negatively influenced the development of Triple Mezzogiorno in the course of their history. Today something new might happen, if they are able to face the new challenge coming from outside turning them in their favor. The revival of the Asian economy, and China in particular, is producing a great push toward the revival of regional and national economies in Africa, in the Mediterranean and Latin American countries.

The regions of the Triple European Mezzogiorno are in strategic positions to avoid becoming marginalized by these processes, by placing themselves at the forefront of a Regional strategy for a development which is able to combine local development with internationalization in a perspective different from the one evoked by globalization.

In the case of the Italian Mezzogiorno, this Region is once again becoming the focal point for a logistics system for the transport and exchange of freight between Asia, Africa and Europe evoking two possible scenarios: (i) to once again become a logistical bridge for a system of transportation and communication in favor of the richer regions of Western Europe, without any involvement and impact on the Mezzogiorno's communities and regions; (ii) or for itself become part of a new system of international exchange centered on the Mezzogiorno's markets and regional development potential.

To reorient the policies and the markets of the Mezzogiorno's region toward the greater Mediterranean Europe, Africa and the Far East ought to be part of the Alexandrian Solution that will make this region stronger in the South and more attractive for the North.

I fully agree with Kuklinsky, that because of: "the failure of the conventional decision making process the Alexandrian Solutions are the only way to cut the Gordian Knots of the given Region."