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CONTENTS

Regionalization processes:

past crises and

current options

"Bow thy head, proud Sicambrian; burn what
thou hast adored and adore what thou hast burned"
(Words of the Bishop of Rheims to Clovis,
King of the Franks, when baptising him as a Catholic)

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The scientific and technological revolution currently under way makes it necessary for us to devise new forms of regions which get away from the old restrictions of size and contiguity: structural complexity is now the crucial factor. The generation of regional structures at the national and supranational level demands flexibility, in view of the rapid changes taking place in the regional environment, the globalization of the economies, and the need for the regions to be shaped in a democratic manner. This article proposes a new classification which draws a distinction between *pivotal regions* (corresponding to the smallest units in the current politico-administrative form of division which have a sufficient level of complexity), *associative regions* (formed as a result of voluntary political union between one or more pivotal regions and one or more adjoining politico-administrative units), and *virtual regions* (formed as a result of tacit agreements between pivotal regions or associative regions which are not contiguous). In order to obtain the necessary flexibility, it is proposed that *dirigiste* efforts from the centre down should be replaced by initiatives stemming from a more basic level of society which will permit the shaping into regions of contiguous (and also non-contiguous) areas, even if they are in different countries. Section I of the article briefly reviews the meagre results obtained by regionalization efforts in Latin America over the last fifty years and raises some basic queries about the possibility of constructing reality. Section II looks at the structural features (especially their complexity) that should be taken into account in defining regions, while section III proposes three new types of regions and section IV maintains the need for the continued validity of the idea of building regional political and social institutions, but now applied also to associative and virtual regions.

I

Introduction

There is a certain repeated constant feature in the form of territorial organization observed at the global level. For the United Nations, the world is divided into regions (indeed, its five regional economic commissions –the Economic Commission for Latin America and the Caribbean (ECLAC) among them– reflect a first broad division of the globe into regions). Each of these regions is made up, in turn, of a number of countries which form subregions, and if we zoom in closer on these, we discover that each country is divided in turn into regions or more ancient political and administrative divisions. This has led to considerable confusion over the use of the term "region", which etymologically simply denotes a territory with royal or kingly attributes: i.e., a territory involving the idea of political power. From that perspective, the concept of region is more appropriate to a subnational rather than a farther-reaching geographic scale.

There are areas of the world (certain European countries, for example) where historical regional characteristics preceded and gave rise to a regional institutional framework (as in the case of the long-standing regional "communities" in Spain and their role in giving rise to the Autonomous Constitution). In those places, the new regions –which merely reflect the formalization, modernization and institutionalization of collective perceptions of identity with and belonging to certain territories and social practices– find it a relatively simple matter to secure their political, social and economic consolidation: in a sense, those regions are "born subjects". For this and other reasons, such regions are highly functional to the current process of globalization. Modernity has not completely deprived society of a feeling of belonging to the territory it inhabits, and there has not been consummation of the shift from a form of regulation based on a horizontal logic (that of territories) to a vertical one (that of sectors), as Muller (1990) would say. The paradox lies in the fact that today we are witnessing a return to territoriality, so that

societies with "incomplete modernity" would seem to be better equipped –from that point of view– for international competition. Naturally, there is no question of going back to ancient, autarchic forms of territoriality, but seeking instead a highly interactive form of territoriality, as part of networks.

In other parts of the world, specifically Latin America, the opposite has been true, since generally speaking the institutional framework has preceded and generated regional characteristics. This means that deliberate political actions were taken to create (establish) regions without there being any pre-existing historical, sociological, anthropological or other kinds of elements to support such actions, which were based more on instrumental rationality than on the recognition of belonging to or identifying with a region. In such cases, it can be said that those regions were born as objects and have yet to become subjects.

In the vast majority of cases, these regional constructs arose from the joining-together of various units which already existed in the country's scheme of political and administrative division, bringing a variety of criteria into play in doing so (Stohr, 1969; Boisier, 1976). This has been happening in Latin America for at least half a century, if one counts from the time of the first regions identified as river basins, under the influence of the institutional model of the Tennessee Valley Authority.

It was only from the mid-1960s, however, that regionalization, as an authentic "national project", became established (but not necessarily successfully) as a continuous practice. The rationale behind this was associated with the theory of social modernization so much in vogue during those years. As Germani (1964) points out, the theory of social modernization –as a theory of the transition from underdevelopment to development– placed special emphasis on the idea that the lack of internal integration of the countries was an obstacle hindering our part of the world from taking the same road to progress as the industrialized economies. The shortcomings in internal integration were reflected in the lack of transport and communications infrastructure, the absence of

national markets (and the prevalence of segmented regional markets), and the lack of a single political and institutional framework, accepted throughout the territory. This analysis led to the obvious recommendation that what was needed was physical, economic and socio-political integration. In order to facilitate this task, it was considered that the old form of political and administrative division (which reflected the territorial organization of the colonial past) should be replaced by a new form of territorial division: regions. Such regions would cover the whole national territory, forming a true regional system. [1]

An assessment made in the early 1990s of regionalization efforts was rather disappointing. If the criterion for evaluation was whether regions had been given constitutional status or not, then the only successes were Chile (through its 1980 Constitution, the constitutional changes introduced in 1991, and especially the 1993 Basic Act on Government and Regional Administration) and Peru (through its 1979 Constitution and the Regionalization Act of 1987). Less legally perfected forms of regionalization existed in Colombia since the mid-1980s and in Venezuela, which has a long history of periodic attempts at regionalization, since 1968.

However, the vagueness surrounding the real meaning of "region" (as noted at the beginning of this article) was making "regionalization" a common word in political and technical language, and the term "region" was used to refer to different territorial realities.

At the moment, a kind of counter-regionalization trend is to be observed in Latin America. [2] To cite just the most outstanding examples:

i) Venezuela is dismantling the Regional Development Corporations and the national Government is emphasizing decentralization at the State level, at the expense of such action at the regional level.

ii) There is extensive country-wide discussion in Colombia on the real nature of the present regions and possible changes in them in the light of constitutional principles, while the national Government is apparently giving its backing rather to division into Departments and municipalities.

iii) In Peru, the Government has practically dismantled the whole regional institutional framework established by the Alan García administration, [3] although Chapter XIV of the draft Constitution voted on 31 October 1993 gives decentralization a second chance by assimilating regions with departments.

iv) The new Sánchez de Lozada administration in Bolivia is also in practice seeking to dissolve the Regional Development Corporations and, as in other countries, is moving towards the formation of Departments and municipal decentralization.

v) In Chile, which can be considered the country with the most solidly established regionalization process, the renewed sway of democracy and attempts to secure electoral advantages are bringing to light various regional divisions, tensions and centrifugal forces. The concept of full (political) regionalization never caught on –for obvious reasons– in the most traditionally federal countries, with the exception of Argentina in the 1960s and 1970s.

Thus, it would appear that the established status quo is stronger than the attempts which have been made to transform or reconstruct the current situation in a rational manner, through exogenous and dirigiste procedures. Initial voluntaristic political attempts to organize territory take a very long time to become social and cultural realities, and even taking into account the exponential speed at which social time elapses, it does not seem possible to sit back and wait for the consolidation of artificially created regions. [4]

Perhaps the time has come to recognize that "social engineering" attempts from the "centre downward" to form regions by adding together and joining political and administrative units have arrived at a dead end. There is strong resistance, and the hindrances encountered can lead to lost opportunities –for investments, markets, association– at a time when seizing opportunities is the only way to succeed in a competitive world. Competition is not a system that always allows the strongest to win, but it does permit the systematic triumph of those who know how to seize opportunities, that is to say, the smartest.

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[1] Few government documents in Latin America reflect this kind of proposal better than the one published in 1968 by what was then called the National Planning Office of Chile (ODEPLAN, 1968).

[2] This is not a trend against regions as such, however, in so far as regions are expressions of the real world.

[3] According to comments heard in Peru, this was partially due to excessive interference by the political parties and the over-politicization of regional bodies.

[4] It should not be forgotten that the Departments of metropolitan France were created by an act of the French Revolution in a manner which was almost grotesque as far as their boundaries were concerned. Two hundred years later, however, the Department is the cultural reference-point and basis of identity for the people living in it. In Chile, the province –an administrative "artifact" created in 1786– is the immediate territorial reference-point.

Post-modernism[5] is an unwelcome guest in attempts to construct regions on highly artificial initial foundations. So-called post-modern ideas emphasize and value diversity, heterogeneity and fragmentation –sometimes unduly– and thus defend the uniqueness and identity of the original smaller territorial unit (the return to the local level). Post-modernism is also the latest refuge and shield of minorities and therefore is, or can be, a democratic factor, in so far as democracy asserts the value of diversity within unity.

"The problem in Latin America today is how to reconcile substantive rationality with formal rationality. The question of territorial diversity is of central importance today with the emergence of the new issue of national identities. The world is being globalized at the economic level, but at the same time identities are shrinking and national expressions are arising. In other words, when people are faced with the uncertainty of being universalized, they seek assurance in returning to the community or local level." This idea expressed by Vega (1991) is extremely apposite to the present discussion.

Probably one of the most negative characteristics of modernity has been its Faustian megalomania, as Berman (1991) would likely have put it, with its irresistible attraction to the uniformity and homogenization which cost regional planners of the 1960s so dear.[6]

While on the subject of Goethe's tragedy, we should always remember the crime of Philemon and Baucis, as an example of that temptation to homogenize. From that point of view, post-modern ideas are extremely attractive. They are, in a certain sense, more humanistic, but one must be wary of new mirages.

"The collapse of the Welfare State and of the great social support networks that characterized it (large enterprises, large trade unions, steady employment and collective social security) strengthens local reality as a new territory of solidarity" notes Boisier (1992) in commenting on the essence of regional microcosms, i.e., the relation between human beings and the territory they inhabit.

In a recent book (Drucker, 1992) the words "The Return to Tribalism" are used (somewhat infelicitously) to describe a phenomenon that is a good deal more complex: the demand for a local dimension in a context in which, as already noted, it is necessary to think globally in order to act locally, or in which, once again, the scientific and technological revolution leads to the confusion of global reality with local reality.

It is the danger of the supremacy of the individual and the rise of a sort of territorial anarchism –as a pendular or dialectic response to totalitarianism and homogenization– which becomes the centre of concern.

II

Back to basics: what is a region?

Hilhorst (1980) was right when he wrote that "Although many seem to agree that the concept of region is a mental construct that finds no counterpart in reality, for others it remains an important issue". The "others" are precisely the human persons who live in regions ("human person" might seem like a

tautology, but it is certainly not so in Thomist-Maritainist anthropology, where the "personality" of human beings is the attribute which distinguishes their spirituality from their mere material individuality) and decision and policy makers in the field of regional development.[7] Hilhorst does not answer the basic question posed in the title of this section and only suggests further research outside of the neoclassical paradigm.

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[5] Post-modernism is the most unexplored ground that can possibly be imagined. Modernism, whose date of birth is uncertain, was based on three fundamental ideas: reason, history and progress. Freud, Nietzsche and Heidegger were those responsible for giving modernism a far from Christian burial. Post-modernism emerged at an uncertain date, but not long ago, when mankind realized that the "modern" project was no longer valid. Post-modernism's stamping-ground is in the street and in intellectual circles (Lyotard, Baudrillard, Vattimo). In this article, the concept of post-modernism is associated basically with one characteristic: fragmentation.

[6] The expression "regional planners of the 1960s" refers not only to a period of time, but above all to an attitude, unfortunately still very much alive in not a few public organizations.

[7] For a rapid overview of Christian anthropology, see Caiceo, 1993.

The Stanford Research Institute (SRI International, 1990) holds that "The traditional rationale for economic regions and many political boundaries is rapidly giving way to a new economic logic... The concept of regional agglomeration more accurately portrays contemporary economic patterns than do traditional political boundaries... The global economy has become a mosaic of economic regions spanning multiple political jurisdictions. This trend has produced and will increasingly require new forms of collaboration among the nations, states, counties and cities involved".

The main point is that the regional rationale is changing, as SRI states. Almost all contextual and structural changes connected with the concept of region are due to the dual impact of the scientific and technological revolution and globalization. This makes it necessary to rethink the concept of region, return to the basics, but without the absurd intention of re-establishing obsolete categories.

Three concepts closely linked to the practical definition of regions, and therefore closely linked to regionalization attempts, have been: distance, spatial friction and contiguity. These three concepts have become obsolescent due to robotization, miniaturization and satellites. The immediate impact was the sharp drop in transport (land, air and sea) and communications costs. The cost of an intercontinental telephone call now has nothing to do with distance, but rather with the intensity of satellite usage at the moment of the call and with the respective rate structures (which are normally part of the "regulated" area of markets). The growing importance of communications as a factor of location –as opposed to traditional factors– is giving rise to such terms as communications highways and teleports. Indeed, one "bit" of information can give rise to a larger economic operation in a region than a whole shipload of traditional goods. Because of this, virtually the whole intellectual construct of Walter Isard and his collaborators at the University of Pennsylvania, ambitiously entitled "regional science", is stuck in a dead-end street, as Holland (1976) predicted it would be.

In the past, the size of regions was a key criterion in their definition. A large region[8] was presumed to have a better chance of defending itself from cyclical crises caused by foreign trade and was also presumed to have greater political power. This latter assumption overlooked the fact that power depends

not on size but on inequitable control of scarce resources, some of which are not even material.

Size, as a criterion for establishing regions, is also becoming obsolescent. Instead of size, what is of interest today is the structural complexity of an organized territory.[9]

Drucker (1992) rightly notes that as money and information have become transnational, even very small units are now economically viable. Large or small, the whole world has equal access to money and information on the same terms. Indeed, the real "unprecedented successes" of the last 30 years have been very small countries. It seems reasonable that "countries" could be replaced by "regions" in all this.

If the organized territory is seen as a systemic structure, its two most important characteristics are precisely its complexity and its final state. Complexity refers to: i) the variety of internal structures that can be identified in the system;[10] ii) the different hierarchical levels through which the feedback and control mechanisms of the system are established, and iii) the non-linear linkages in the system, which generate dissipative structures.[11] (In contrast, a typical example of linear linkages is that of technical input-output coefficients). Since the organized territory is a dynamic system, its final state depends on whether it is a closed or open system. If closed, the final state is one of maximized entropy, whereas in an open system the final state is one of maximized synergy.

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[8] In the twofold sense of geographically and economically large. However, geographical size was assumed to be conveniently limited by technology and transport costs and their impact on the "presence" of the administrative apparatus in the whole region.

[9] The concept of territory passes through a number of stages: first, natural territories, which become equipped territories, which then progress to the most complex category: organized territories. The work of Nobel Prize winner I. Prigogine is an obligatory reference with regard to the concept of complexity.

[10] In this case, variety alludes to structures, which can be urban, productive, social and political.

[11] To refer once again to I. Prirogine, these structures may be understood as dynamic chaotic systems which spontaneously generate order out of chaos.

From a complementary viewpoint, and return-
ing to the categories used by Vapñarsky (1969), the
structural complexity of an organized territory,
seen as systemic structure, can be measured
through the attributes of interdependence and
closedness. Structural complexity is characterized by
high interdependence and low closedness.[12] A
science of complex economies or an economic theory
of complexity has yet to be developed, which would
serve as a conceptual framework and perhaps provide
the tools to work more concretely and operationally
on the question of complexity.

Thus, the search today is not aimed at determin-
ing how "big" a region should be. On the contrary,
what is of interest is to determine the smallest or-
ganized territory that is also highly complex structu-
rally. For practical reasons, this "downward" search
must be limited to the current political and adminis-
trative divisions (precisely what it was desired to
eliminate twenty years ago).

At another level, territorial culture and identity
are being revitalized today, not only as intrinsic
values but also as factors of regional competitive-
ness. Organized territories are the new actors in inter-
national competition for capital, technology and
market niches. Such territories –as regions– must
project themselves as a unit with a recognized ident-
ity, as a differentiated whole, capable of offering a
corporate image in the best sense of the word. This is
possible only if the region can generate a regional
project based on a broad social consensus, which is
nothing other than an authentic "political project"
that generates social mobilization. In many cases,
that would be impossible if such a project is not ac-
companied by and coordinated with a "cultural pro-
ject" that generates or reinforces a community's
identity with its own regional habitat.[13]

Although many people are loath to use the term
"regional marketing", in fact a new and important
function in contemporary regional development
efforts consists precisely of promoting the region
in external markets. A suitable combination of

endogenous and exogenous elements, which is the
key to successful regional development, partly de-
pends on the quality of such marketing, while mod-
ern transnational capital considers the territorial
environment (collective perception, identification,
consensus) as a strategic factor for its location.[14]

Flexibility, elasticity and ductility are indispens-
able requisites for any modern region, in so far as
they are factors that facilitate rapid and timely move-
ment in and out of networks.

Flexibility can be facilitated through rules, in-
cluding constitutional ones, that allow for territorial
association based on the political will of the parties
involved. This undoubtedly has a lot to do with the
democratic character of regions. The Constitutions of
Colombia and Peru may well be noted in this regard.
Article 306 of the Colombian Constitution provides
that "Two or more departments may form administra-
tive and planning regions with their own juridical
personality, autonomy and patrimony, the main ob-
jective being the economic and social development
of the respective territory", while article 307 states
that "The conditions for requesting the conversion of
a region into a territorial entity will be laid down in
the respective Basic Act, subject to the views of the
Commission on Territorial Organization. The deci-
sion of Congress will be submitted in each case to a
referendum of the citizens of the departments in-
volved...". Article 190 of the Peruvian Constitution
(submitted to a referendum on 31 October 1993)
reads: "Regions shall be constituted on the initiative
and at the behest of the inhabitants of one or more
contiguous departments. Contiguous provinces and
districts may also join together or change their form
of division...".

The elasticity and ductility of regions refer to their
structural conditions that allow them to adapt to their
surroundings, either by absorbing outside elements or
by adjusting their size to the conditions of the envi-
ronment. These two characteristics are in contrast to
the rigidity of regional structures in the past.

[12] Interdependence refers to the proportion of real or effective
interactions compared with the theoretical total, while closedness
refers to the proportion of interactions which are completed with-
in the system.

[13] For a detailed discussion of regional political and cultural
projects, see Boisier, 1992.

[14] The importance of regional identity as a factor of regional
development in Argentina is stressed in Colantuono (1991) and
Palermo (1988).

III

From pivotal, to associative, and thence to virtual regions

Taking into account the characteristics that are of interest today as regional attributes, I suggest giving the title of pivotal regions to the complex, organized territories identifiable within the historical political and administrative divisions. These pivotal regions will be provinces in some countries, departments in others and states in certain federal countries. In all cases they are the smallest political and administrative units which at the same time are structurally complex, have their own culture and identity, and possess flexibility. [15]

These pivotal regions (which are somewhat similar to John Friedmann's core regions, but are not necessarily metropolitan) can form larger regions –associative regions– through voluntary union with adjacent territorial units. This is exactly what is provided for in the Constitutions of Colombia and Peru. Even though the Constitution of Colombia makes no explicit mention of contiguity, this is implicit in the text of article 4 of Bill No. 184 of 1992, which lays down that administrative and planning regions will be "territorial divisions for the pursuit of national planning functions". In Peru –as already noted– the Constitution explicitly mentions that the departments must be contiguous.

What is the difference between these associative regions and present regions? The difference lies in the fact that in them the partners come together by their own free will, therefore giving the region a democratic character which contrasts with the traditional divisions imposed from above by the central political authorities. In so far as the regions are an expression of free will, they eliminate a number of sources of conflict in the present regions that are hindering them from functioning as constructions really based on historical situations and the mentality of the people.

In some cases, the process of forming regions has entailed extremely high transaction costs. The possibility of forming associative regions would considerably reduce those costs.

Moreover, pivotal or associative regions can make tactical cooperative arrangements with other regions to form a higher category of regional organization: virtual regions. A virtual region is the result of a formal or informal contractual agreement between two or more pivotal or associative regions, aimed at achieving certain short- and medium-term objectives. [16]

Although this might sound like fantasy, it actually takes place. The worst thing that can happen to "regional development specialists" is to be overtaken by the facts yet again: caught in a permanent gulf between their ideas and reality.

With regard to Europe, Curbelo (in the press) notes that: "There are already many examples of regions and municipalities (usually the larger ones) that enter into cooperative arrangements with other regions and cities in the Community in order to develop joint programmes". [17] In Belgium, the objectives of the LEDA (Liège-Europe Development /Action) programme include the strengthening and promotion of international alliances between Liège and other comparable cities, under the slogan: "associate or die".

The concept of the virtual region undoubtedly owes much to the operational procedures developed by the big transnational corporations. The following very recent international press item illustrates the point:

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[15] Some concrete examples of pivotal regions are the department of Antioquia in Colombia, the province of Valdivia in Chile, the department of Santa Cruz in Bolivia and the department of Arequipa in Peru.

[16] Usually in order to introduce a new high-technology product, occupy a market niche, or defend a "space" or "territory" of business and influence.

[17] Curbelo cites the example of the so-called "four motors" of Europe (Rhône-Alpes in France, Baden-Württemberg in Germany, Lombardy in Italy, and Catalonia in Spain) which have joined forces to carry out scientific and technological research programmes.

"IBM, always present in major advances in the world of computers, has launched the first system based on the PowerPC. This, the most powerful microprocessor in the world, is the result of the alliance between three giants of the industry –IBM, Motorola and Apple– and is manufactured by the IBM Electronics Division".

This is a perfect example of a "virtual corporation": a temporary arrangement to achieve a specific goal (in this case, to compete with INTEL in the computer chips market). Once the objective is achieved, the association is dissolved. In other words, none of the three original partners lost its corporate identity in all this.

The virtual corporation is a temporary network of independent companies linked by information technology to share skills, costs and access to each other's markets. [18] The key attributes of virtual association are:

i) *Technology.* Informational networks will help far-flung companies and entrepreneurs to link up and work together from start to finish. The partnership will be based on electronic contracts to keep the lawyers away and speed the linkups.

ii) *Excellence.* Because each partner brings its "core competence" to the effort, it may be possible to create a "best-of-everything" organization. Every function and process could be world-class –something that no single company could achieve by itself.

iii) *Opportunism.* Partnerships will be less permanent, less formal, and more opportunistic. Companies will band together to meet a specific market opportunity and, more often than not, separate once the need evaporates.

iv) *Trust.* These relationships make companies far more reliant on each other and require far more trust than ever before. They will share a sense of "co-destiny", meaning that the fate of each partner is dependent on the other.

v) *No borders.* This new corporate model redefines the traditional boundaries of the company. More cooperation among competitors, suppliers and customers makes it harder to determine where one company ends and another begins.

The concept of relationship-enterprise, similar to the virtual corporation, refers to a network of strategic alliances among big firms, spanning different industries and countries but held together by common goals which encourage them to act almost as a single firm. Such an alliance is driven not just by technological change, but also by the political need to have multiple home bases.

It is not a question, of course, of transforming regions into enterprises, but modern regional development efforts clearly have much to learn from the strategies of large corporations. What is happening in the business world supports the proposal to consider regions as quasi-enterprises, i.e., complex organizations with ways of relating to their environment that are similar to the development strategies of large corporations.

The concept of virtual regions adds another, more subjective element which was already mentioned earlier: identity. A strong sense of regional identity is the only guarantee that the virtual association will remain balanced and not become a form of absorption or domination. Identity is the product of a regional culture, understood as a set of values, symbols and social practices (a cosmogony and an ethos) that unify and separate at one and the same time in order to produce identity – culture and identity based on the valuing of diversity (something very proper to post-modernism), as Cerutti-Gulberg (1991) explained so well at a symposium held at the University of Warsaw.

The earliest ideas of "regional virtuality", which are only a few months old, have attracted considerable interest, presumably for two reasons: they make it possible to overcome tensions that seem insuperable in many existing regions constructed from the centre down, and they clearly respond to a growing perception of the dynamics of the globalization process. [19]

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[18] See the special report in Business Week (8 February 1993) entitled "The virtual corporation" and the article in *The Economist* of 6 February 1993 entitled "The global firm: R.I.P.".

[19] For example, the Bureau of Planning of the department of Antioquia (Colombia) produced an in-house report ("Proposal for the formation of an administrative and planning region in the Occidente region of Colombia") which states: "The Occidente region of Colombia is conceived as a process of strategic alliances among departments, in order to take advantage of opportunities and take up the challenges presented by new world and national scenarios". The press in Arequipa, Peru and in Concepción and Valdivia in Chile has given this kind of proposal an enthusiastic reception.

Commenting on the difficulty of distinguishing clear regional structures in Argentina, Grenier (1993) says: "...the highest level is in fact represented by the regroupings the provinces are attempting to achieve, in this climate of national and international competition promoted by economic neo-liberalism over the last twenty years. Since the average province is too small for such a context and previous regionalization efforts were predicated from a national development perspective, new formulae open to the exterior are being sought: for

example, a "Norte Grande" region encompassing the already traditional Northwest and Northeast regions of Argentina and integrating through the GEICOS project (integration of the Centre-West part of South America) the neighbouring countries of Chile, Bolivia and Paraguay...".

This is clearly an attempt to construct virtual regions. Generally speaking, border integration projects –of which there are many in Latin America– are also practical examples of the search for virtual arrangements.

IV

Regional deconstruction now?

One of the most complete arguments in favour of the idea of constructing regions in a social and political sense was published by Boisier (1991) as the culmination of a series of studies on ways of combining endogenous and exogenous elements in regional development.

The regions now defined as "pivotal" are by definition regions with a high degree of self-construction, especially social. They can, however, have flaws in their political and administrative architecture, arising from low levels of political and territorial decentralization.

The social and political construction of regions, as an essentially endogenous process, will continue to be a challenge for most associative regions.[20] An explicit common will among all concerned will facilitate the design and implementation of a regional political project, without which the region will normally remain a mosaic of departments or provinces.

The importance of a common will to create associative regions needs to be emphasized. Poche (1985) commented on "regional aspiration as a social movement" from a sociological perspective in the following terms: "Such an aspiration transforms regional demands into a social movement, characterized by a *situation* of unequal development generated by a technical and bureaucratic central State and by its *actors*, who carry on a social struggle based on *the*

model of class warfare. Since local identity was destroyed in the process of unequal development, its recovery forms the guiding light of this struggle, whose aim is to *reconstitute cultural and economic autonomy* on the basis of the reconstructed identity. The political and institutional dimension is finally surpassed in favour of the sociability dimension, which takes its place as the organizing principle of the social structure" (emphasis in the original).

In pivotal regions, political decentralization becomes a sine qua non for constructing from below a kind of "nesting" hierarchy of regions each fitting inside one another. Decentralization makes possible autonomous decision-making, rapid action and adequate operational resources. From this viewpoint, mere territorial decentralization (like that of Chile today) is not enough, since the formation of associative regions requires endogenous political decisions: i.e., decisions taken by regional political bodies directly elected by the population.

As associative regions are formed around one (or more than one) pivotal region, size and diversity is increased, but complexity and identity is lost.[21] Of course, a kind of marginal cost-benefit analysis could be used to decide on the limits to the enlargement of a region.

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[20] For example, if the departments that comprise the present Atlantic Coast region or the present Occidente region of Colombia freely enter into an agreement (or use some other departmental arrangement) to assume the category of an administrative and planning region, their respective "construction" processes must be promoted to the utmost possible extent.

[21] The province of Concepción in Chile, a pivotal region, loses complexity and its identity becomes less clear as a result of its union with the neighbouring provinces of Ñuble, Arauco and Bíobío, so that the collective usefulness of the so-called "Bíobío Region" might be questioned. A similar query could be raised with regard to the relationship of the departments of Antioquia or El Valle in Colombia with the Occidente region.

Another complexity that arises in the practical application of these concepts is the possibility that not all units of the current political and administrative division of a country may join together as associative regions. In this case, there would not be a national regional system but rather the transformation of the national territory into a regional archipelago. If the main aim of national regional systems were to facilitate the regional disaggregation of national plans and to establish a national regional development policy, however (two questions that are completely alien to the current economic paradigm), then the formation of such an archipelago would be basically unimportant.

What political and administrative structures are required to make a virtual region operational? Since the virtual agreement is only temporary, there can be no question of creating stable, permanent bodies. This means that coordination, rather than unified management, must be the basic element in cooperation. Coordination, in turn, depends on communication, for the fact that present technology allows for real-time "face to face" communication facilitates virtual arrangements. Once again, the transaction costs may be high and, as Alexander (1992) points out, planning is needed in such cases as part of the response to high market transaction costs. Planning is associated, in particular, with the establishment of hierarchies ranging from simple unitary organizations to complex frameworks and inter-organizational systems, as virtual regions would be. When diffuse relations based on trust are developed –face to face relations, according to Berger and Luckmann (1980)– transaction costs are lowered, allowing for flexible specialization, as Rojas (1993) notes in a recent preliminary study on the weakness of the social actors in the Bíobío region of Chile.

Civil society and political society have different roles to play in the regions in the formation of associative and virtual relationships. The political actors are the leading elements in associative relationships, while the civil actors (entrepreneurs, etc.) are more important for virtual relationships.

The "nesting" hierarchy of pivotal, associative and virtual regions fitting inside one another clearly corresponds to a constructivist rather than a positivist view of reality, at least as regards its multiplicity and heterogeneity. It must also be kept in mind that the observer/operator must be part of that perception of reality, since this is the only definitive way to stop

constructions from the top down or from the centre outwards. According to Edgar Morin, there can be no subject without a relationship to an outside environment which allows that subject to recognize, think, and hence exist; in this way, complexity is reflected better, avoiding analytical-Cartesian reductionism which "while seeking regularity, reduced the complex to the simple", in the words of Montero (1993).

Ultimately, self-determination and flexibility would appear to be the two major pillars of this type of "nesting" hierarchy of pivotal, associative and virtual regions. The resulting panorama can only be conceived of in dynamic and not static terms. The best metaphor for this panorama would be a slow-motion film of a fountain, showing the multiplicity of simultaneous structures that take shape and disappear, or a similar slow-motion film of a volcano erupting. Self-determination is a psychosocial and political matter, while flexibility is a technical and administrative issue.

Virtual arrangements also have the quality of being multiple: that is to say, a single pivotal or associative region can simultaneously maintain various virtual links, each of them formed on an *ad hoc* basis.

Why a "new" form of regionalism at this time? The answer is that globalization and the emergence of supranational groups like the European Community have produced a backlash: the desire of individuals to belong to a smaller community. At the same time, new technologies are turning Schumacher's dream that small is beautiful into reality, and today the region is seen as the optimal unit for managing economic development, while the nation-State is being questioned in every way: for being too small to cope with global issues or too large to deal with local matters.

Table 1 below summarizes the main characteristics of the three kinds of regions.

Is all this a "light" proposal for regionalization, that is to say, typically post-modern in its lightness? In no way.

The post-modernism of the proposal lies in the overcoming of the typically "modern" temptation to homogenize and in the introduction of a considerable degree of flexibility: a characteristic more typical of "post-Fordism" than "post-modernism" and, in any case, an inescapable requisite of the present times. "The idea is now taking hold that society is a set of uncontrollable and ever-changing flows, in the midst of which the actors work out individual strategies and

hang on to fragmentary cultural identities. This is post-modern culture..." (Montero, 1993).

Independently of personal preferences, modern meta-stories have lost part of their validity and society seems to be regressing to certain fundamental-

isms that were once thought to belong to the past, some negative and others not: nationalism, racism, regional sentiment, new mysticisms, and even the return of wizards.

(Original: Spanish)

TABLE 1

**Essential characteristics of pivotal,
associative and virtual regions**

	Pivotal	Associative	Virtual
Formation	Historical	Consensual	Contractual
Structure	Complex	Heterogeneous	Complementary
Construction	Self-constructed	To be constructed	Selective
Type of planning	Strategic	Managerial	Tactical
Type of regional project	Strategic	Political	Conjunctural
Space	Continuous	Continuous	Discontinuous
Societal motivation	Self-affirmation	Power+development	Competition
Duration	Permanent	Long-term	Negotiated
Decentralization	Territorial	Territorial + political	Functional
Decision-making system [a]	(P)	(O + P)	(T + O + P)

[a] These categories correspond to those used by Linstone (1987): technical perspective (T), organizational perspective (O) and personal perspective (P).

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