



**European Committee
of the Regions**

SPEECH BY COR PRESIDENT, KARL-HEINZ LAMBERTZ

EUROPE FROM THE POINT OF VIEW OF THE REGIONS

CONFERENCE ON "A EUROPE OF REGIONS WITH A PARTICULAR FOCUS ON THE BALTIC"

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Ladies and gentlemen,

Professor Böttcher has asked me to take stock of Europe from the point of view of the regions. I am very pleased to oblige. But before I start, two questions arise: just what is Europe? And once this question is answered, the next one presents itself: what is a region in Europe? If I were to answer these two questions in detail, I would use up all my speaking time and you would be none the wiser as to my position on Europe and the role of the regions in Europe. Nonetheless, I cannot resist the temptation.

What is Europe? It doesn't immediately catch our eye if we look at planet earth as a whole. But if we spread out a world map on the table, then we see two things. First: Europe is one of the smallest continents in the world. Second: this continent has by far the highest density of national borders. These often turn out to be historical scars, as they have been altered by force and fought over, and they have played a crucial role in the history of the continent – especially when they have been opened. The great moments of European history have much to do with open borders. We have experienced this fact particularly vividly at two junctures: after the Second World War, and when the Iron Curtain fell.

What is a region? As I mentioned at the beginning, the European continent has the highest density of national borders. But if we take a closer look, there is something remarkable within individual countries as well: the variety of regions, which are often much older than the countries within which they are now located, countries that largely first arose as nation states sometime in the 19th century. It also quickly becomes clear that there are significant regional disparities within individual European countries. In Germany, people from Bavaria and Schleswig-Holstein aren't exactly always on the same page. And if they are speaking their own dialect, then they won't even understand what each other is saying. There is another element to regional diversity: the term "region" has a different meaning from country to country. "The role of the regions" can only be used in the plural, because each country has its own regional model and gives different weight to the role of the regions. We need a very nuanced and diversified approach if we are to answer the question of what European functions these regions can fulfil.

What role do the regions play in Europe? One significant strength that they can lay claim to is that they are much closer to the citizens than national administrations. In terms of their self-conception, regions very often have a different relationship to their own identity in comparison to countries. This can be an opportunity. However, talking about the role of regions in Europe today – no matter where – means that the issue of Catalonia is sure to



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come up. Yesterday evening, around 40 000 Catalans held a demonstration in Brussels, right where my office is located. It must have been very lively. People in Catalonia hope to form their own country. Is this the destiny of the roughly 300 regions in Europe? I do not believe so. For this would ultimately only confirm the existing role of states in Europe and increase their number. I know of only very few regions where this is the desired objective. I do, however, know of many regions in Europe that are striving for more responsibility and are willing to engage more intensively in European development than was previously the case, or was even possible.

This is what I would like to talk about today. I will try to assess whether Europe's regions can give fresh impetus to promoting European integration. I believe this to be the case. In fact, I am fully convinced that this is the only truly reasonable way forward. There are various arguments for this, which I will not deprive you of. However, many obstacles still remain, which I do not want to gloss over either. I am also convinced that further development in this direction will continue for a long time – much longer than my term of office as President of the Committee of the Regions. Nevertheless, I would very much like to be able to make a contribution during this period together with my 350 colleagues in the CoR – among them, the mayor of Klaipėda.

Let's take a closer look at the world we live in and ask ourselves the question: "What is really happening?" We can see that there are some "megatrends". In its regular publications on this subject, the Bertelsmann Foundation cites globally increasing injustice and inequality as the first of these trends. This assessment is noteworthy in and of itself. The far-reaching changes caused by digitalisation, the major challenges of globalisation and the consequences of demographic change – recognised by all but not yet fully appreciated by many – reinforce this trend. This is followed by the closely linked challenges of climate change, migration issues, resource scarcity and peace-keeping. All of these mean that political action is required. None of these problems will solve itself. Market forces, which play an important role in our society, cannot be expected to address these challenges on their own. Neither can a planned economy, as shown by the failure of the communism that was fully implemented in the Soviet Union. The solution is to have the right policy, and the resulting framework conditions for economic and social action. The books that have been written on this subject could fill entire libraries. But as varied as the possible solutions may be, I am certain of one thing: none of the major challenges that I have alluded to can be solved by a single country on its own. Whether it is as mighty as the Grand Duchy of Luxembourg or as small as the Federal Republic of Germany. These problems can no longer be tackled by countries acting on their own. This leads me to a very important conclusion for the rest of my talk. We need, at minimum, continent-wide decisions and procedures. And on many issues, we need to think and act globally. We saw this very clearly a few weeks ago at the Bonn world climate conference.



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We need a strong and effective Europe! Today, I will limit myself to the European Union and will not talk about the Council of Europe, which in the longer term is sure to become more important and represents the truly continental perspective.

In my view, there is no truly desirable alternative to a strong and effective European Union. This is an argument that I would like to put forward; it also fundamentally shapes my thoughts on the role of the regions. The founding fathers of the European Union had this quite visionary insight. They developed the idea of jointly managing the war industries of coal and steel. The author Stefan Alexander Entel gives an impressive account of this in his book "Die Geburtsstunde Europas" ("When Europe came into being"). The book also tells us why we can glean powerful ideas for shaping the future of our continent from the example of the coal and steel sectors, which have since become less significant. This could apply, say, to the entire energy sector, which would be highly significant in relation to the next world climate conference in Poland.

Let us not forget that some things have turned out to be real success stories in the European Union. Not everything, but many things! It is no exaggeration to call the European Union – as Barack Obama did – one of the greatest success stories of the second half of the 20th century. And I also think that the EU fully deserved to be awarded the Nobel Peace Prize. However, the award ceremony was also a reminder of just how difficult it is to find the right interlocutor if we are to make Europe something that people can grasp. Do you remember the ceremony in Oslo, where three men stood next to one another? There had been a difficult discussion beforehand about who would get to speak first and how the roles were to be distributed. I think that Martin Schulz made the wisest decision: he did not speak, but instead held the prize and showed it to the cameras. That, at least, is how I remember it. Be that as it may, this Nobel Peace Prize was well deserved!

It is also possible to call the euro at least a partial success. It could have achieved more if it had been set up correctly. If all the preconditions for operating a single currency had been put in place. If – after the countries in the euro area had given up on the powerful tool of devaluation and revaluation – the hope of an automatic alignment of economic and fiscal policies that prevailed at that time had come true, then the euro would today be considered a real success.

Targeted solutions have been found for even critical issues, such as the Dublin Regulation for the admission of asylum seekers into Europe. At first glance, it seems common sense that asylum should generally be applied for in the country of arrival. But this solution is not sufficiently thought through – especially if you know the geography of Europe. And then came another example of what keeps happening in Europe. Although it was obvious that things could not go on as they were, people pointed to the Dublin rules and the situation was allowed to continue. For a long time there were no better ideas than sending the Pope to Lampedusa when the situation was getting delicate. Please don't get me wrong: this was a valuable gesture. But it did not solve the problem. The situation has visibly deteriorated, and



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the EU has failed to tackle the asylum problem. This has fundamentally altered the political landscape in Europe.

The tough negotiations to form a government in the Netherlands and the narrow electoral defeat of a xenophobic populist in the Austrian presidential elections make this vividly clear. And this is surely just the beginning. For example, how will the elections in Italy turn out? When will Germany get a new federal government?

That said, the length of time it takes to form a government is not always connected to changes in the party-political landscape. Belgium still holds the record for the longest time to form a government, at 541 days. During this time, Belgium successfully held the EU presidency, adopted a new law on foreigners, and approved military intervention in Libya, without having a fully functioning federal government. A government was only able to be installed in 2012, after the negotiating parties had agreed on a substantial reform of the federal system, on the basis of which the structure of the Belgian state was reconfigured for a sixth time. This always means striking a balance – as subtle as it is complex – between the positions of the Flemings and Walloons, while also taking the interests of residents of Brussels and German-speaking Belgians into account. This gives rise to the notorious Belgian compromises, which the Spanish and Catalans could very well look at in order to find a way out of the impasse they find themselves in following the failed revision of Catalonia's status, adopted in 2006 and then undermined in 2010 by the Constitutional Court. In a conflict like this, the parties need to sit around a table and negotiate until a solution is found. This solution is usually very complicated. Since no-one understands every last detail, everyone can feel like they have won. The main thing is that it works somehow or other!

But let us return to Europe. Described by Obama as a success story, and honoured with the Nobel Peace Prize, the whole continent must be brimming with enthusiasm for Europe. However, the reality is different.

We are currently witnessing growing euroscepticism. Fewer and fewer people see Europe as a hope for improving their living conditions, as used to be the case; rather, they increasingly see it as something that provokes anxiety, causes problems, creates alienation and conjures up fears of loss. We are living in a Europe into which Brexit has driven a wedge. We are dealing with a European Parliament where eurosceptics play a significant role – which, following the 2019 European elections, could be even more significant than before.

Why is this? Is it due to hordes of eurocrats bustling about in Brussels and dreaming up a new regulation on oil cruets every single day? No! The EU has fewer total staff than any medium-sized German city. Many fewer, if you disregard interpreters and translators.

Is it maybe because people don't understand the wonderful work done by EU bodies? This opinion seems to prevail among some members of staff. I experienced this most recently in Rotterdam at a discussion on the European Urban Agenda. A bureaucrat from Brussels was



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trying to lecture seasoned mayors about how a city should operate. This is no way to spark enthusiasm for Europe.

Is it because people don't quite understand the idea of Europe? I believe this is at least partially correct, because Europe has been far too much of an elite project since the beginning. People have not always been brought on board as much they should have been. But the real problem is different. Europe is having trouble due to a number of serious and consequential dysfunctions – in other words, because Europe is in major difficulties in a number of areas. I would like to mention some of them, without trying to be exhaustive. And we will soon see that much of this is ultimately due to a failure of the European decision-making system. Member States bear the greatest responsibility for this. This applies particularly to top politicians, who regularly undergo a painless metamorphosis on their flights between Brussels and their respective capitals. In Brussels, they help to decide what happens. When they arrive home, they address the microphones and cameras, saying that all the good things are down to them and everything that seems less positive is the sole responsibility of Brussels. Of course, they gloss over the fact that they themselves are involved.

I would like to very briefly mention some of these difficulties. Perhaps the most momentous – and, biologically, scarcely possible – difficulty is that the EU is both a giant and a dwarf. It is a giant when it comes to regulating trivialities that would be much better dealt with at another level. A genuine zeal for regulation, which some in Brussels cling to, has developed over the decades. Europe is a dwarf when it comes to larger issues. With regard to many important decisions, the EU does not even come close to having the global – or even the European – clout that it really should have. Yes, you can say that even the smallest dwarf casts a long shadow when the sun is low enough, but that is clearly not enough. It needs to be drastically reconfigured, its weight differently distributed. Following the motto "if in doubt, a working group will sort you out", an experiment is currently underway with the Task Force on Subsidiarity set up by the European Commission, which I will return to later. But joking aside, I am very grateful to Commission President Juncker that he went against the Commission's original intention and included the Committee of the Regions as the third partner, alongside the European Parliament and the national parliaments, in this task force.

I have already mentioned another difficulty: the single currency, which was brought in without sufficiently integrating the policy areas connected with it.

A further difficulty is the entire institutional setup. Even if the members of the Council of Ministers and the Commissioners have a degree of democratic legitimacy, the whole decision-making system lacks effectiveness and a democratic basis. Another reason that this cannot really function properly is that the Treaty of Nice failed to adapt the rules of operation so that they would remain feasible with 28 Member States. What was possible with 6, 12 or 15 countries is not necessarily viable with 28. The principle of unanimity plays far too big a role in the European Union and the decision-making structures are too complex.



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We are paying the price every day for not having changed this before the enlargement of the EU.

Let us move on to the next difficulty. The pillars of the European Union are not all developed to the same extent. The European Union has strong competition law and there is a good case to be made for maintaining this and developing it wisely. But the social pillar and potential measures in terms of services of general interest – or "Daseinsvorsorge", to use a lovely German word – are stunted and can certainly be improved. A few days ago in Gothenburg, we saw how difficult it is to strengthen this pillar and build on it equitably. But we need to if we want to stimulate a more equitable development of Europe and rectify a major birth defect – one that has appeared in all texts since the beginning.

I would also call the way the banking, financial, economic and sovereign debt crisis was handled another difficulty. The fact that banks' irresponsible behaviour ended up developing into a sovereign debt crisis – the repercussions of which are still affecting us today – is unacceptable and cannot be permitted to happen. At minimum, this shows that the financial sector dominates the real economy to an irresponsible extent. This must be rectified, which requires worldwide or at least European regulation. There is still a lot to be done in this area, and there is an urgent need to set the right course. Let us take a look at all the promises that were made from all sides of the political spectrum when the banking crisis gripped Europe in 2008, and what became of them. What is the situation in terms of the minimum level of fairness in taxation, which Commissioner Moscovici recalled recently when he mentioned that the European VAT carousel alone causes lost revenue of approximately EUR 30 billion every year? This is a considerable amount in terms of the European budget.

And this brings us to the next difficulty. The great project we call Europe is supposed to be financed by means of 1% of European gross domestic product. Commissioner Oettinger recently described this as the price of a cup of coffee per inhabitant per day. So that's what Europe is worth to us today. This cannot really be taken seriously, but this is the reality that we will need to continue dealing with for a long time. Moreover, a policy of austerity has been pursued in recent years, with very different consequences for individual countries. The debate with the Federal Republic of Germany, in particular, is very difficult in this context, regardless of who is in power. That said, it is even more difficult with some than with others. Something needs to change here; otherwise we will save Europe into the ground.

These are some of the difficulties that I wanted to briefly mention. If we want to put Europe back on its feet, then we have to work through all of these things. But we also need to tackle another issue which, in my opinion, is just as important, and where the evidence of recent years is that we in Europe in fact have less in common than is often believed to be the case. I am talking about European values. Europe is not just an internal market, not just a single currency. Europe is, fundamentally, a community of values, and it must continue to be. However, there are significant divergences in this area. And these can only – if at all – be overcome through dialogue and contacts. In his State of the Union speech in September,



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President Juncker had some illuminating words on this. He spoke of a Europe that, in his view, was based on three principles. I would like to add a fourth dimension. He said that Europe was based on freedom, equality and the rule of law. That is all true, although it is not always clear to everyone. But Europe is also based on solidarity, which in my view is part of the canon of European fundamental rights.

What role do the regions play in all of this? I do not believe that they will take the place of countries in the foreseeable future, and I am not sure whether they really should. In my view, the crucial question is different. As important as Europe's governability is, citizens' perceptions are even more important and constitute the real stress test. Everything that I have mentioned can only work if people find that European measures have real added value where they live: in their villages, regions and cities. Economic added value, in the sense of sustainable improvements in their living conditions; intellectual added value, in the sense of being guided by values; and emotional added value. This last one is absolutely crucial: my emotions have to agree if I am to like or even love something. This also applies to Europe! And this is precisely why local and regional authorities play such an important role. They are the level of governance that people trust the most in Europe, more than the European Union and states. They are, first and foremost, the level where people can still personally reach out to the relevant politicians. Here in Klaipėda, no-one can call up Mr Juncker every day or go and meet Mr Tusk. But it is very possible for residents to go directly to the mayor and tell him what they think about policies. Klaipėda's citizens – just like the citizens of the 150 000 other municipalities in Europe – are not particularly interested in whether something is the responsibility of Europe, the country, the region or the city. Citizens want their problems to be solved. And they go to the person they know best and can speak to. Therefore, Europe can only succeed if both everyone in a position of regional and local authority and all citizens are convinced that Europe happens not only in Brussels, Strasbourg or Luxembourg, but locally, and primarily where people live.

If we can take this fully on board, then the crucial paradigm shift – which will determine whether Europe is to have a successful future – will take place. It is very simple to express this fundamental notion, but remarkably difficult to put it into practice. Two-way communication is needed for it to work. First, what happens in Europe must impact people's everyday lives and be presented in a way that is helpful and makes sense, without being burdensome and causing additional difficulties. Second, conditions on the ground also need to land on the desks of European decision-makers – and, above all, come to their attention. This is very important but certainly not straightforward, because this regional and local level in Europe is very varied. The major challenge is arranging this mutual cooperation so that it has reasonable results. Former chancellor Kohl's quotation seems apt here: "Ultimately, what is important is what comes out at the end".

The regional landscape in Europe is very varied. In practice, you have to study 28 versions of it if you want to deal with the European Union. Even if there will soon be only 27 Member States, the task will not become much simpler. It is extremely important to be well aware of



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these regional differences and to deal with them in detail. And it is not enough just to take a snapshot of the current state of affairs. It is also a matter of understanding regions' historical development, and gauging how they are looking to the future. This is a Herculean task, which scholarly work can very much help to deal with. But the Committee of the Regions also has a specific role to play in this regard – which it should, incidentally, fulfil in cooperation with European associations of regions and the Congress of Local and Regional Authorities of the Council of Europe. Europe has impressive regional diversity. Regions in Germany are completely different to regions in France, Romania or Finland. Nevertheless, there are also points of comparison.

Regional identities are just as important as regional structures. Are there such things as regional identities? This is like wondering about the Loch Ness monster. Before asking myself how to fight it, I have to ask whether it exists at all. It is no different with identities. Particularly with collective identities. Many people have so many problems with their individual identity that they need a psychiatrist throughout their entire lives. When looking for collective identities, the regional level is the most relevant and most authentic. Regional identities shape people much more strongly than national identities, and they much less frequently lead to ethnic abuses and violent conflict.

Identities have a unique characteristic. They live on separation. We can only define our identity by saying that we are different to other people. This starts in infancy. Separation from the mother is the first step towards perceiving a personal identity. A regional identity only takes on real substance when people in one area feel a sense of togetherness, and feel different to inhabitants of other areas. But this is the whole problem. Lurking within this hallmark of collective identities is the entire complex issue. Identities can be both positive and dangerous. If I understand my otherness in such a way that I relate only to myself and consider the rest of humanity to be my enemy, then this regional identity will resemble the exclusionary nationalism that has caused, and continues to cause, unspeakable misfortune in the world. However, if I use my identity to ground myself regionally and then, with this anchoring, open up to the outside world, making contact with others, working together and engaging in exchange, then I am constantly developing and can let the positive side of my regional identity flourish. Research has shown that successful regions are both deeply rooted and broadly interconnected. And it is precisely this conception of identity that I have in mind for strong regions in Europe that play an important role in the process of European integration.

The topic of regional identity is especially fascinating with regard to territorial cooperation. This can be either cross-border cooperation; macroregional cooperation, such as in the Baltic, Alpine, or Danube regions; or interregional cooperation between regions that are further apart and have no shared border. Territorial cooperation has great potential to further drive European integration. It is a core element of European cohesion, and the resulting cohesion policy. It is part of the EU's DNA, and its continuation is essential for the future of Europe. Therefore, we in the CoR are fighting with all our strength, modest though



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it might be, against any attempt to limit, dismantle or completely destroy cohesion policy for financial or any other reasons. That is why we, together with six European regional associations, launched a "Cohesion Alliance" last October, which is working to ensure that, even after 2020, the EU continues to have a cohesion policy that is strong, has sufficient resources and (very importantly) is accessible for all regions.

Cohesion plays a crucial role. If Europe is not cohesive, it will collapse. Cohesion also includes the entire domain of external policy, which I do not have time to go into in any greater depth. At the Committee of the Regions, this takes place through CORLEAP cooperation activities (for the Eastern Partnership) as well as through ARLEM cooperation activities (for the Mediterranean area). There is close cooperation with local and regional authorities from these neighbourhood regions.

The regions' understanding of their role as a European one can be broadened to many more policy areas. I would like to mention some examples, such as the impact of digitalisation on people's lives, as well as the effects of climate change or the looming local collapse of transport systems. This is also a matter of the future of cities and rural regions – or rather the relationship between cities and their surroundings in an increasingly urbanising world. Migration policy is also an absolutely fundamental issue. While regions are scarcely able to influence what happens/should happen at the external borders and in countries of origin, they are first in line when it comes to receiving and integrating migrants locally. The quality of their work ultimately decides whether integration is successful or not. This is not just a question of the number of people who are arriving; first and foremost, it is a question of what kind of policies are being implemented. And from the point of view of local and regional authorities, there is a lot of work to be done in this regard.

Local and regional authorities' capacity to act and invest is also affected in a number of ways by regulations and decisions at EU level. They play an important role in the practical implementation of many EU directives and account for around 70 percent of total public investment in Europe. We need sensible approaches to designing the monetary union, implementing cohesion policy, involving regions in the "Juncker Plan" investment strategy, making the criteria of the Stability and Growth Pact more flexible, and combining territorial policy approaches with sectoral strategies for innovation and communication infrastructure. Ultimately, the decisive factor is what tangible results citizens see on the ground.

Ladies and gentlemen,

All of what I have said is very difficult to implement given the EU's current operating model. It would be wonderful if we could put day-to-day business to one side, sit down and calmly think about how to fundamentally improve how the EU functions. But this will not work, not least because Europe must continue on day after day, and because the current rules can only be modified unanimously. We need a twofold approach if the Union's institutions are to develop further. First, in the short term – before the European elections, if possible –



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improvements need to be made so that people can believe in Europe again. Second, structural improvements to the EU treaties need to be drawn up. We need to further develop Europe in the spirit mentioned by President Juncker in his State of the Union address, the spirit that is repeatedly conjured up in the speeches of French President Macron and that was also taken up in the speech delivered by Martin Schulz yesterday in Berlin. We need to work on creating a strong European commonwealth, and ask who wants to join us. We can no longer make do with the lowest common denominator. A strong Europe is best achieved with the 27 partners moving together in lockstep. But if needs be, then we can also move forward at different speeds. It is crucial to all be moving in the same direction. This is currently proving particularly difficult in Europe.

Ladies and gentlemen, you have been listening attentively for exactly 1 hour and 13 seconds. I have not said much of what I wanted to say. I would like to conclude with a quotation which I always like to put at the end of a speech on Europe because I find it so apt. There are many reasons why Europe is in crisis. But there is a vital reason to move Europe forward. Europe is the solution to the problems of the early 21st century. To bring this about, we need courage. More courage for Europe, as former German President Gauck said in his important speech on Europe delivered in 2012 in Berlin: "We need courage for Europe. That means no doubters, but rather standard-bearers. No ditherers, but rather people who are prepared to knuckle down. No-one who simply goes with the flow, but rather active players. I think that is a good way to end.

Thank you for your attention!

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