



**European Committee
of the Regions**

The future of the EU and

the role of the regions

Proceedings of a conference held
on 10 April 2018 in Brussels



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Conference outline and objectives

A broad debate on the future of Europe is currently taking place, at a time of multiple challenges for European integration. At the same time, we are witnessing striking calls for greater autonomy or even independence on the part of several regions in Europe, intensified regional lobbying, transnational regional cooperation and macro-regional strategies. These developments illustrate the need to discuss what role the regions could and should play in the future EU27.

As part of the background to the debate about the future of the EU, the subsidiarity principle and the role of regions and cities in European affairs, a one-day conference on 10 April 2018 brought together politicians and academics in the European Committee of the Regions (CoR) in Brussels in order to discuss some of the most important questions in this regard:

- What role is there for regions to foster democracy in the EU?
- What are the potential effects on regions of a “multi-speed Europe”?
- How can the “subsidiarity mechanism” be enhanced?
- How do regions respond to changes to the EU’s economic governance?
- Do “macro-regions” have an impact on governance across borders?
- What are the challenges for regions with regard to a “social Europe” and the future of EU cohesion policy?

The two rounds of three parallel workshops were at the heart of the conference. Based on contributions from elected politicians, CoR members and academics, they provided an opportunity to discuss these questions in more detail.

The conference finished with a debate on the regional impact of Brexit. During that debate, the current state of the Brexit negotiations and its impact on the economic and social situation of the regions in the UK and the 27 member states of the EU were discussed.

The event was attended by around 180 representatives of regional, national and European parliaments, governments and associations as well as researchers and experts from EU institutions, universities and think tanks. Two plenary sessions and six working groups were held in an interactive way. The results will feed into the activities of the CoR on the future of the EU and academic research in this field.

The conference was co-organised by the CoR and its Commission on citizenship, governance, institutional and external affairs (CIVEX) and Prof Dr Gabriele Abels, Jean Monnet Centre of Excellence PRRIDE, University of Tübingen, Germany, in cooperation with Prof Dr Ulrike Guérot, Danube University Krems, Austria, Founder and Director of the European Democracy Lab.

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Panel debate – Regions and the future of the EU

Panellists:

- **Prof Dr Danuta Hübner**, Member of the European Parliament, Chair of the Committee on Constitutional Affairs (AFCO)
- **Barbara Duden**, Member of Hamburg City Parliament and Chair of the CoR Commission for Citizenship, Governance, Institutional and External Affairs (CIVEX)
- **Ilona Raugze**, Director of the ESPON EGTC, Luxembourg
- **Prof Dr Gabriele Abels**, Director of the Jean Monnet Centre of Excellence PRRIDE, University of Tübingen, Germany

Moderator: **Prof Dr Stefan Gänzle**, University of Agder, Norway



Opening the session, **Stefan Gänzle** spoke about Europe's general motto "United in Diversity". Although in the 1980s the idea of a "Europe of the regions" was popular, this has been replaced more recently with the notion of a "Europe with the regions". The European Committee of the Regions (CoR) was an example of the manifestation and institutionalisation of the growing importance of the regions. Nevertheless, he remained critical of the fact that the European Commission's White Paper on European Governance (2001) had been "region- and city-blind".

In the first statement, **Ilona Raugze** pointed out that, due to major cross-regional imbalances following the financial crisis, key economic challenges had to be tackled in order to strengthen trust in the EU again. For instance, despite an overall stable growth rate of 1.4% across Europe, no fewer than 44 regions faced economic growth rates of less than 1% (and many were even experiencing decline). Peripheral regions in particular suffered from economic weakness and the emigration of young people, who often moved to the comparatively wealthy regions in the west and the north of Europe. This territorial concentration of people was another key challenge, which led to major technological players investing in some regions but not in others, and increasing work mobility towards urban centres. Ms Raugze proposed an "integrated place-based approach" to help rebuild trust in Europe, since regions and cities were the entities closest to citizens and their everyday lives. This approach consisted of five key elements: 1) support for locally or regionally developed strategies; 2) the development of functional urban areas; 3) new government solutions (involving regional stakeholders) including metropolitan planning; 4) the provision of new investment tools including the combination of resources from different funding streams; and 5) more capacities through place-based investments.

Danuta Hübner emphasised that the strength of local and regional authorities lay in their proximity to citizens as they played a major role in linking citizens' daily lives to the EU institutions. The involvement of regional stakeholders helped to both create and sustain such links, ultimately building trust. Moreover, she highlighted the role of regional policy in developing and supporting such processes. Dr Hübner identified three major challenges including 1) internal challenges (e.g. Brexit, and its underestimated consequences for regions); 2) external challenges (refugees, migration and how regions and cities could cope with this); and 3) global challenges (e.g. climate change and its regional effects). In order to take on these challenges at the regional level, Europeans had to accept that Europe would always be a "Europe of change" that had to be made "regionally sensitive". This included embracing both competitiveness and the capacity to fix standards as well as fighting major



economic inequalities and making Europe socially sensitive. Furthermore, Ms Hübner addressed territorial cohesion as a way to (re)build trust and underlined the role of regional technological advances as drivers in finding solutions for both local wealth and health challenges, as well as helping regional companies overcome the limits of their regional markets (helping them to “go global”). Finally, Dr Hübner discussed how the CoR contributed to shaping the way the European Parliament (EP) perceived Europe and its regions and highlighted the fact that the major challenge for the future of Europe was its democracy: the CoR and the regions could make a significant contribution to strengthening democratic legitimacy and social cohesion.

Barbara Duden introduced the CoR and its CIVEX Commission and the activities aimed at including citizens’ voices in the general EU constitutional debate. As an example, she mentioned the complex process of drafting the CoR opinion on the future of Europe that was being shaped not only through political debates but also via a survey among regional and local authorities, citizens’ dialogues throughout Europe (by now, around 170 such dialogues had taken place across all EU Member States) and an app that already had more than 20 000 users. In general, Ms Duden pointed out that there was a strong interest on the part of local authorities and CoR members in the debate on the future of Europe, both in strong regions such as those in federalist Member States and in apparently weaker ones. Ms Duden pointed out that cities and regions should not be seen to be in opposition; they had common interests when thinking about multi-level governance dynamics, including the need to take the subsidiarity principle seriously. She also referred to migration, climate change, and economic inequalities as the key challenges for regions, which had to be met with new models of regional participation.



Finally, **Gabriele Abels** referred to the EU’s institutional architecture as the central condition for the capacity of its political system to act and its ability to generate public trust. Both the European Commission president, Mr Juncker, and the French president, Mr Macron, had recently addressed the significance of the regions for both the EU’s input and output legitimacy and hence for democracy in Europe more generally. In addition, making decision-making processes more transparent and accessible for regional actors would also contribute to the improvement of the EU’s throughput legitimacy. Furthermore, Ms Abels emphasised that firstly, the basic principle of “Unionstreue” (loyalty to the Union) also applied to the regions when it came to the implementation of EU law (compliance), and secondly, that the early warning system as part of the EU’s subsidiarity control mechanism had to be turned into a useful and effective tool for regions and their (sub-national) parliaments. In general, she stressed the importance of regional parliaments in Europe, since regions did not only take part in European affairs through their respective executives. In addition, Ms Abels argued that the CoR’s competences should go beyond the idea of a purely consultative body that was mainly considered a rather weak player regarding its role in legislative processes. Finally, due to its agenda-setting power in the EU, in the form

of the sole right to initiate new union policies, the European Commission should engage in some kind of subsidiarity impact assessment or subsidiarity mainstreaming in order to strengthen the regional level.

The discussion with the audience focused on the regional impact of Brexit, the possibilities to (further) incorporate and even institutionalise regional competences in the EU, including the CoR, the role of regional impact assessments and how to go about them, cross-regional imbalances and inequalities (regarding migration and economic issues), and the role of macro-regional strategies in Europe.

At the end of the discussion, every panellist was asked to position herself regarding the future role of Europe’s regions and whether they would have more or less influence. All four speakers argued in favour of the regions having more influence in the future.

Gabriele Abels argued that regions simply needed to get involved as without their contributions many of the challenges being addressed could not be solved on the ground. There was also



an exchange of views on subsidiarity, where **Danuta Hübner** pointed out that it should not be seen as a tool to defend national prerogatives “against” Europe but rather as a way to design the most effective division of labour among the different level of government in order to pursue common objectives and interests. **Barbara Duden** added that subsidiarity also implied greater involvement on the part of regional and local authorities in the whole cycle of EU policy- and law-making and that regions and cities were the places where citizens lived and could therefore more easily and effectively get involved. They were “policy-owners”, a status that came with a sense of “ownership” that helped to solve problems better than at any other level of governance.

Workshop 1 – Multi-speed Europe and its potential effects on regions

Panellists:

- **Apostolos Tzitzikostas**, Head of the Region of Central Macedonia, Greece, CoR member
- **Prof Dr Simona Piattoni**, University of Trento, Italy

Moderator: **David Simmonds, Councillor**, London Borough of Hillingdon, CoR member

In his introductory statement, **David Simmonds** pointed out that a multi-speed Europe was already a reality in terms of different levels and paces of socio-economic development across Member States as well as across regions. Given that the goal of convergence was inherent in European integration, this raised the question of how to deal politically with these differences. In the EU, he noted, many institutions



with a claim to democratic legitimacy needed to work together. In many cases, decisions and commitments made by national governments at European level needed to be implemented by local authorities. Local government was thus key to successful European policies in many areas such as the environment, transport, migration etc.

Simona Piattoni took a critical look at the notion of a multi-speed Europe and EU cohesion policy. Until recently, she observed, the notion of a multi-speed Europe reflected the need to accommodate the difficulties of some Member States in adapting to common policies and keeping up with the pace of European integration. Today, however, the same notion was often used to justify leaving behind those Member States that were not able or willing to follow suit. Ms Piattoni pointed out four frequent criticisms levelled at EU cohesion policy: 1) there were doubts about the added value of EU cohesion policy; 2) it was considered to be overloaded with too many goals; 3) there were uneven governance capacities across regions due to different resources, institutional settings, administrative traditions, etc.; and 4) some regions, e.g. in Southern Italy, were persistently underperforming despite decades of support through cohesion policy.

To address these criticisms, **Simona Piattoni** recommended using more encompassing and/or alternative indicators so as to take more aspects of development aside from GDP (e.g. environment, well-being, social justice) as well as externalities into account. Furthermore, she suggested using differentiated instruments for differentiated goals and mobilising other financial resources, including a modest financial transaction tax or corporate tax. With regard to implementation deficits at the regional level, she advocated creating an accreditation system for regions managed by national authorities as well as an exchange programme and a School of European Administration for local and regional administrative staff. Finally, she proposed setting up task forces to help regions that were persistently lagging behind get onto the path of socio-economic convergence.

While taking a more institutional perspective, **Apostolos Tzitzikostas** agreed that a multi-speed Europe had existed for years, with some Member States having opted out (flexibly or en bloc, de jure or de facto) from various European policy areas, including the common currency, Schengen and the Permanent Structured Cooperation (PESCO). With a view to the third scenario of the White Paper on the Future of Europe, he raised concerns that a multi-speed Europe might increase institutional complexity, create more uncertainty and blur responsibilities even further, thereby undermining effectiveness and citizens' support. More specifically, Mr Tzitzikostas warned of the potentially harmful effects of differentiated integration in the socio-economic area on social cohesion and unity in Europe. Differentiated social standards across Europe, he argued, might ultimately cause citizens to turn their back on the European project.

Apostolos Tzitzikostas thus insisted that all regions needed to move forward in the same direction and at the same pace. He emphasised that at present the priority was to build trust among EU citizens. Insofar as more flexibility was needed, he suggested using existing legal instruments such as enhanced cooperation instead of reforming the Treaties along the lines of a multi-speed Europe.

The ensuing discussion focused on clarifying the concept of a multi-speed Europe. A multi-level Europe, it was observed, was a multi-layered and multi-dimensional concept referring to a range of disparities both between and within Member States in terms of socio-economic development, participation in EU institutions and policies, or moral values, as the case may be. Bearing this in mind it was noted that a multi-speed Europe did not necessarily mean embracing the political paradigm of differentiated integration.

To conclude, **Apostolos Tzitzikostas** insisted on the importance of regions and cities being heard at the European level and suggested transforming the CoR into an assembly of directly elected representatives. **Simona Piattoni** pointed out that democracy was not only about making decisions but also about fostering discussion and a common understanding of what was necessary, possible and desirable. In this regard, she concluded, the CoR already made an important contribution to a democratic EU, despite lacking decision-making and vetoing powers.

Workshop 2 – Enhancing the subsidiarity mechanism

Panellists:

- **Michael Schneider**, State Secretary, Representative of the Land of Saxony-Anhalt to the German Federal Government, CoR member and member of the Task Force on Subsidiarity, Proportionality and “Doing Less More Efficiently”
- **Prof Dr Christian Calliess**, European Commission, Team Leader, Legal Adviser to the European Political Strategy Centre

Moderator: **Prof Dr Gabriele Abels**, Director of Jean Monnet Centre of Excellence PRRIDE, University of Tübingen, Germany

In her introduction, **Gabriele Abels** emphasised the importance of the subsidiarity principle as the key guideline ensuring the distribution of competences across the various EU governance levels. Nevertheless, she added that this principle had to be strengthened significantly (in practice) given the on-going debate on the future of Europe. In order to achieve this goal, clear definitions and standards for the successful implementation of the principle had to be provided.



Christian Calliess confirmed the importance of the European Commission’s Task Force on Subsidiarity, Proportionality and “Doing Less More Efficiently” for the future development of the EU. As announced in the context of the White Paper, the Commission president, Mr Juncker, had explained the Commission’s perspective in his 2017 State of the Union address on 13 September 2017, which set out a roadmap for the months leading up to the European Council scheduled to take place in Sibiu on 9 May 2019. “Doing Less More Efficiently” (Scenario 4 of the White Paper) was a core element of the Commission’s vision for the EU in 2025. Scenario 4 was based on a narrative in which the EU – especially the Commission with its right of initiative – was expected to focus on political priorities and allow itself to be guided by the principle of acting “big on big things and small on small things”. In addition, the gap described in the White Paper between legislative activity at European level (promise) and poor enforcement and implementing capacities on the ground (delivery) needed to be addressed. With regard to “doing less”, consideration could be given to transferring powers conferred on the EU by the Treaties back to the Member States or repealing legislation. In this context, “less” could mean above all that the EU decided, in the light of its policy priorities, to refrain from exercising certain powers. As the EU would not be dealing with the policy area in question, the Member States would retain competences in this area. A further key element would be to accord greater weight to the principles of subsidiarity and proportionality. To achieve this, European legislators could introduce a mandatory scrutiny and reference framework as well as laying down institutional arrangements (in the form, for instance, of an interinstitutional task force). Such a new allocation of competences across the EU’s governance levels should be regulated by binding legal standards, further developing subsidiarity from a political principle into a legal one which was binding for all actors at all levels.



As one of the CoR representatives in the aforementioned task force, **Michael Schneider** introduced the current main issues: firstly, the development of clear suggestions on how to incorporate regional expertise/knowledge into EU decision-making processes; secondly, the establishment of mandatory regional impact assessment procedures; and third, the identification of policy areas where competences could be returned to the Member-State level. Schneider emphasised that the latter would not mean giving up on Europe. On the contrary, strengthening the application of the subsidiarity principle and better involving all levels of government could help to bring decision-makers closer to citizens. The following open discussion also covered

issues such as clearly allocating competences across the various levels of governance in the EU how the subsidiarity principle could play a bigger role in tackling growing inequalities among European regions and the extent to which regional impact assessments could help alleviate the problem by also involving the CoR.

Workshop 3 – The role of macro-regions in European governance

Panellists:

- **Prof Dr Stefan Gänzle**, University of Agder, Norway
- **Olgierd Geblewicz**, president of the West Pomerania Region and CoR member

Moderator: **Doreen Huddart**, member of Newcastle City Council and CoR member

Stefan Gänzle started by sketching the relevance of a macro-regional view on Europe and by defining the academic concept of macro-regions. He moved on to define macro-regional strategies. These strategies would seek to mobilise existing institutional actors within a geographical area, while not precluding the possibility that macro-regional institutional architectures may be established through regional cooperation. The goal of cooperation was to address common challenges and to positively affect the cohesion of that region. Mr Gänzle then described the evolution of EU macro-regional strategies, mentioning the examples of the Baltic Sea and Danube regions. He then outlined the impact of EU macro-regional strategies, concluding that these were instances of experimentalist governance. They drew regional territorial cooperation closer together and made it easier to compare across Europe. Finally, they supported a stronger regionalisation of several EU policies.

Olgierd Geblewicz presented his practical experiences with macro-regional strategies and spoke about the strategy of the Baltic Sea macro-region. He started by describing the characteristics of the macro-region, such as economic and historical factors and the geographical role of the sea. Mr Geblewicz then evaluated the impact of the macro-regional strategy, which had been implemented since 2005. He observed that in some areas, e.g. environment and transport, cooperation was easier, while in other sectors such as economic development it could be more difficult as there was quite a lot of competition among the various regions.

At the beginning of the open discussion, **Doreen Huddart** asked whether Mr Geblewicz saw any arguments against macro-regional cooperation. He answered that it was only a question of the right mind-set; however, he also acknowledged that there were some policy areas where cooperation was more difficult. A discussion ensued on who usually took the initiative for macro-regional cooperation, with Mr Gänzle pointing out that the onus was upon the Member State but that the latter may of course be pressured by regional actors. Another question addressed the relationship between macro-regional cooperation and cooperation at the interregional level. Mr Geblewicz answered that macro-regional strategies were part of a formal EU process that was backed by Member States, leading to higher levels of legitimacy and also to different financial opportunities. Finally, it was also highlighted that macro-regions could also provide a connection with third countries, as long as they were interested in cooperating; in some cases, non-Member States were already embedded in macro-regional governance structures.

Workshop 4 – Regions and changes in economic governance

Panellists:

- **Christophe Rouillon**, Mayor of Coulaines, France, and CoR member
- **Dr Dieter Plehwe**, Berlin Social Science Centre (WZB), Germany

Moderator: **Michael Murphy**, Councillor, Tipperary County Council, Ireland, and CoR member

Michael Murphy opened the panel by pointing out that, with the onset of what was usually referred to as the EU's economic or debt crisis, the structures of economic governance underwent dramatic changes. He stressed that the Eurozone was clearly at the heart of these changes and much of the debate on the future of the EU focused on reforming it. Different proposals and preferences were on the table following the



European Commission's reflection papers on deepening the Economic and Monetary Union and on the Future of EU finances. Mr Murphy also highlighted that the CoR had intensively discussed the potential impact of changing economic governance arrangements on regions and, in May 2017, the CoR plenary unanimously proposed the adoption of a Code of Conduct for the involvement of local and regional authorities in the European Semester. However, from a regional perspective, the proposed use of financial incentives and conditionality to promote structural reforms may be controversial.

Dieter Plehwe presented data on regions, changes in economic governance and regional competition. He pointed out that regional policy was at the heart of increasingly contentious politics both at national and European levels. Here he differentiated between regions as dependent social spaces versus regions as independent units and masters of their own fortune. Pitted against each other were longstanding notions of uneven development and disparities that required cohesion, as well as more recent perspectives of endogenous growth, competitiveness and entrepreneurship. Mr Plehwe added that the European financial crisis and the ensuing deep recession did not cause, but rather exacerbated pre-existing tensions in regional policy. These tensions were built into the European integration framework, with the Lisbon Treaty shifting the agenda more clearly towards competitive federalism. In his opinion the aim of the CoR was to defend cohesion policy and to focus on key dimensions of fiscal equalisation/improvement of regional and social disparities. He pointed out that neoliberal arguments regarding locational competition were not convincing on closer inspection: local government and local companies did not act in isolation from other government units and corporate headquarters. Here, Mr Plehwe turned to the issue of democracy, which could only be achieved if citizens were able to influence the decision-making powers affecting their lives. According to Mr Plehwe, what Europe needed was greater regional participation in EU policy-making rather than more regional autonomy. Furthermore, he explored future scenarios for the EU, which was showing signs of partial disintegration. Even the most pro-integration scenario suffered from a surprising lack of European ambition and conceptual innovation. In addition he gave a brief overview of the alternatives with the French President, Mr Macron's ideas and Germany's new government coalition contract.

Christophe Rouillon focused on the role of economic support in the context of terrorism and the role of the regions. According to him, people – and particularly those in rural and poorer regions, who felt they had no future – were susceptible to extremists. Economic support for the regions could help alleviate the situation and prevent the spreading of extremist ideas.

The main conclusion of the open discussion was that there was a lack of recognition of the role of local and regional authorities, despite their increasing economic and political relevance and the development of regionalism in the EU. Particularly with regard to the political dimension, the democratic legitimacy of EU policy-making process could be considerably improved by means of better involvement of the regions. A more partnership-focused relationship between regions, nation states and the EU institutions, instead of the classic top-down approach, could strengthen all levels, including the regional, national and EU levels.

Workshop 5 – Democratic requirements for European regional governance

Panellists:

- **Prof Dr Ulrike Guérot**, Danube University Krems, Austria
- **Mairi Angela Gurgeon**, Member of the Scottish Parliament, Scottish National Party

Moderator: **Prof Dr Gabriele Abels**, University of Tübingen, Germany

Gabriele Abels opened the panel by stressing the relevance of democratic requirements for European regional governance in the debate on the future of the European Union. She emphasised the role that regions wanted to play in regaining citizens' trust vis-à-vis the EU. Regional representatives claimed this was only possible by strengthening their institutional role in the EU set-up. The regions played an important role with regard to input legitimacy. However, throughput legitimacy through regional parliaments may be complicated by the involvement of too many actors (with diverse interests).



Mairi Angela Gurgeon outlined Scotland's position in the debate on the reform of regional governance in the EU. She summarised the debate about regionalism and/or nationalism in Scotland and its position within the UK's institutional structure.

The process of devolution in the UK had started 20 years ago and today granted certain competences almost entirely to the parliament of Scotland, which also had considerably more power than the other devolved parliamentary bodies in the UK. This allowed Scotland to introduce legislation that differed considerably from that in the rest of the UK. In light of Brexit, Ms Gougeon highlighted the difficulty of not having any competences in foreign and security policy, as was partly the case for the regions in Belgium. Scotland was committed to future cooperation with the EU, especially in terms of social standards. Without EU membership, Scotland would face a threat from London to undermine the high standards currently protected by the EU. The tensions between the devolved regions and the government in Westminster made Brexit discussions particularly difficult. Scotland was conducting independent negotiations with various actors in Brussels but faced difficulties as it was not formally a Member State of the EU. Already today, the Committee of the Regions was an important actor when it came to representing the interests of non-EU regions and Ms Gougeon therefore hoped that the CoR would be the voice of the devolved entities in the UK.

Ulrike Guérot provided a summary of the differences between regions and nations as this had also been mentioned by Ms Gougeon. She then went on to explain the importance of legal equality between citizens in the EU, which, according to her, had never been fully achieved. The four freedoms in the Treaties had so far only been established for services, goods and capital. If we wanted to discuss democratic requirements and legitimacy, we could only do so by pointing to the legal equality of European citizens. Brexit demonstrated that citizens could be stripped of their European citizenship without being adequately consulted. Going back to the process of introducing a common currency as well as harmonising the standards for goods in the past, she pointed to the possibility of drafting a timeline to introduce legal equality of citizens.

At the beginning of the open discussion, a member of the audience wondered what difficulties would arise for citizens, if the goal of citizens' equality was envisaged. For example, full equality in the European Parliament would be disastrous in terms of the representation of smaller Member States. She wondered about the steps that would be taken when moving from the representation of states only towards greater representation of individual citizens. Another member of the audience inquired whether citizens actually knew about the institutions at European level and how the goal of citizens' equality could be achieved without the appropriate level of education and understanding on the part of citizens about how their institutions worked.

Ms Guérot talked about a number of cases from the "mobile" generation who faced difficulties when moving between Member States and were often discriminated against on the grounds of their nationality. She thus stressed the importance of coming up with a plan to move towards citizens' equality, such as when Jacques Delors had drafted a plan for the common currency. Ultimately, politics topped nations, which was also an argument for the equality of citizens in the European institutions. Ms Gougeon agreed that "one citizen, one vote" would not heavily undermine the influence of smaller Member States, as they already had little influence over political decisions.

Ms Abels highlighted the fact that European-wide social security did not automatically lead to institutional developments to safeguard democracy. She asked Ms Guérot to explain in more detail what she imagined a second chamber might look like and whether it would resemble the Committee of the Regions. Ms Guérot proposed a bicameral system with one parliament consisting of equally represented parliamentarians and another chamber that represented the interests of the regions. Another member of the audience proposed that respect for democratic proceedings was the most important aspect. In terms of moving Europe forward, the participant stressed that respect for democracy was the most important factor.

Workshop 6 – Social Europe and the challenges for cohesion policy

Panellists:

- **Simonetta Saliera**, President of the Emilia Romagna Regional Assembly, Italy, and CoR member
- **Claire Dhéret**, European Policy Centre, Brussels, Head of Social Europe & Well-being programme

Moderator: **Ilona Raugze**, Director of the ESPON EGTC, Luxembourg

In her introduction, **Ilona Raugze** emphasised how crucial it was to find immediate answers to social inequalities across Europe today. Debating the future of the EU, in her view, should always mean a debate about holistic, coherent, and efficient European social policy as well.

Simonetta Saliera agreed with Ms Raugze's opening statement and pointed out that in order to achieve



conditions across Europe that were shaped by stability and solidarity we had to arrive at common social, legal and economic standards first. To get there, all levels of EU governance had to be involved – especially the regional and local levels supported by the EU. Ms Saliera further argued that EU cohesion policy played an important role in this respect, but it had to be designed and implemented more efficiently in the future.

Claire Dhéret also referred to cohesion policy as a key instrument in tackling problems relating to economic inequalities and in creating social stability across Europe. Nevertheless, in her opinion, cohesion policy alone was not enough to help deal with the effects of globalization especially with regard to labour markets. New initiatives involving the EU, Member States and regional levels were required in order to provide the union with a “strong pillar of social rights”.

The open discussion picked up on the question of whether the current EU (and its distribution of competences across its various levels of governance) was fit to deal with new forms of poverty and their effects on societies in Europe. In order to tackle social and economic disparities and to achieve higher levels of solidarity among Member States, a fair distribution of resources and new programmes involving all governance levels and all types of actors could be decisive factors, according to Ms Saliera. Furthermore, it was proposed that dealing with (national) budgets alone was not enough; instead, new courageous and innovative policies were required in order to live up to the fundamental task of both the EU level and the Member States: improving the lives of their citizens.

Conclusions

Panellists:

- **Karl-Heinz Lambertz**, President of the European Committee of the Regions
- **Prof Dr Gabriele Abels**, Director of Jean Monnet Centre of Excellence PRRIDE, University of Tübingen, Germany

In his speech, **Karl-Heinz Lambertz** observed that although shared European values still existed, their relevance in practice had declined significantly over the past decades. Nevertheless, Mr Lambertz pointed out that, actually, the future of the continent was the EU; Europe was destined to succeed; no one had expected Brexit or thought of it as a real possibility; and a “multi-speed Europe” was not desirable. He referred to the subsidiarity principle and, thus, the significance of the local and regional levels, since they were the cornerstone of human communities. It was here that decisions were ultimately implemented, problems identified and complaints articulated. Mr Lambertz argued that, in the end, “Europe is where its people are”. What was necessary was a new idea to get people involved, especially younger people. To achieve this, it was necessary for the added value of the EU in citizens’ everyday lives to continually be highlighted when talking about the EU. In this respect, the added value of the CoR consisted in drawing attention to the voices of cities and regions and being able to mobilise them towards goals of common interest.



Indeed, a possible key strategy for improving the effectiveness of CoR action was that of building alliances. For instance, the CoR ought to build alliances with interest groups representing stakeholders and civil society. He mentioned examples including the Cohesion Alliance aimed at supporting the strengthening of cohesion policy in the post-2020 EU budget, and the citizens’ dialogues organised throughout Europe by the CoR in cooperation with its members, regional and local authorities and EU institutions.

In her closing statement, **Gabriele Abels** pointed out that we should always be aware of the fact that diversity could also mean inequality in Europe, for instance regarding the increasing tendency toward economic competition but also with regard to cohesion policy. There had to be decisions leading to a reform of the current EU governance structure, with the regions being a major part of the solution and not part of the problem.

Panel debate – Brexit: a regional perspective

Panellists:

- **Mairi Angela Gougeon**, Member of the Scottish Parliament and CoR member
- **Michael Murphy**, Councillor, Tipperary County Council, Ireland, and CoR member
- **Prof Dr Raquel Ortega Argilés**, University of Birmingham, United Kingdom
- **Prof Dr Ulrike Guérot**, Danube University Krems, Austria

Moderator: **Prof Dr Gabriele Abels**, Director of Jean Monnet Centre of Excellence PRRIE, University of Tübingen, Germany

In her introductory statement, **Gabriele Abels** emphasised that Brexit would have a massive impact on regions, not only in the UK, with Scotland and Northern Ireland opposed to leaving the EU, but also in the rest of the EU. Therefore, the CoR aimed to play an active role in the process with several consultations and debates planned in 2018, despite not being formally involved in the Brexit negotiations.



Mairi Angela Gougeon

stated that, from a Scottish perspective, the ideal solution would be for Scotland to remain in the EU or at least in the single market. For demographic reasons Scotland needed migrant workers to run the economy, most notably in the agricultural sector where the drop in the arrival of seasoned workers was already visible. Scottish interests, however, were not taken into account by the UK government in the negotiations, which amounted to a deplorable lack of democracy. Indeed, the Scottish government had not been involved in the process or consulted so far. To illustrate this point, Ms Gougeon reported that the UK government had withheld an assessment of the economic impact of Brexit from the Scottish government.

Michael Murphy pointed out the deep uncertainties surrounding EU-UK trade relations resulting from Brexit. He expressed concern that the UK government may not be able to reconcile the contradictory aspirations of leaving the single market while maintaining a close trade relationship with the EU. The Irish economy, he noted, would be affected badly as Irish businesses, notably SMEs, used the UK as a bridgehead into mainland Europe. If for no other reason, a “hard border” between Ireland and the UK had to be avoided at any cost. Turning to the Northern Ireland conflict, Mr Murphy emphasised that the membership of both the UK and Ireland in the EU was critical to the success of the Good Friday Agreement and a lasting peace in Northern Ireland.

Raquel Ortega Argilés presented the findings of a study on the regional exposure to negative trade-related effects of Brexit in the UK and the rest of the EU. Focusing on the share of regional labour income and GDP put at risk by potential trade barriers, the study showed that, while virtually all regions in the EU would be negatively affected by Brexit, there were some significant differences across countries and regions. With a potential drop in regional GDP ranging from 10% to 17%, the UK and Ireland would be most affected, followed by Germany, the Netherlands and Belgium. In eastern and southern Europe, by contrast, the economic impact would be felt less strongly or marginally at best. Thus, in terms of economic exposure, geographic proximity to the UK proved to be a decisive factor, even at the regional level.

Finally, **Ulrike Guérot** strongly criticised the fact that the advocates for Brexit had escaped responsibility following the referendum and referred to the hazards of direct democracy. Indeed, while in parliamentary democracy elected politicians could be removed and their decisions undone, electors could not be made accountable. She reminded the audience that Brexit would have harmful effects not only on the UK but also on the rest of the EU. Furthermore, she insisted that the other Member States should have been asked, too, as a matter of democratic principle. Finally, Ms Guérot warned that Brexit could encourage other countries to leave and pressed for this issue to be actively addressed.

The open discussion continued to deal with the regional impact of Brexit on both public actors and SMEs all across Europe and the lack of transparency and honesty that, according to the panellists, had shaped the process so far. Again, more information regarding the impact of Brexit had to be made public (“a Brexit score card”), for instance, through further stakeholder workshops on the ground. Among the main topics also discussed were the border separating the Republic of Ireland and Northern Ireland, and its economic implications, the dangers that lay in holding a referendum on a vital issue such as leaving the EU, and the role that (social) media and/or fake news campaigns played in the pre-referendum period.

Appendix: Conference programme

- 11:00 - 11:30** **Welcome addresses**
- **Barbara Duden**, Member of Hamburg City Parliament, Germany, and Chair of the CoR Commission for Citizenship, Governance, Institutional and External Affairs (CIVEX)
 - **Prof Dr Gabriele Abels**, Director of Jean Monnet Centre of Excellence PRRIDE, University of Tübingen, Germany
- 11:30 - 13:00** **Panel debate: regions and the future of the EU**
- **Danuta Hübner**, Member of the European Parliament and Chair of the Committee on Constitutional Affairs (AFCO)
 - **Barbara Duden**, Member of Hamburg City Parliament and Chair of the CoR Commission for Citizenship, Governance, Institutional and External Affairs (CIVEX)
 - **Prof Dr Simona Piattoni**, University of Trento, Italy
 - **Prof Dr Gabriele Abels**, University of Tübingen, Germany
- Moderator: **Prof Dr Stefan Gänzle**, University of Agder, Norway
- 13:00 - 14:30** **Networking Lunch**
- 14:30 - 15:45** **Parallel workshops I**
- 1) Multi-speed Europe and its potential effects on regions**
- **Apostolos Tzitzikostas**, Head of the Region of Central Macedonia, Greece, and CoR member
 - **Prof Dr Simona Piattoni**, University of Trento, Italy
- Moderator: **David Simmonds**, Councillor, London Borough of Hillingdon, CoR member
- 2) Enhancing the subsidiarity mechanism**
- **Michael Schneider**, State Secretary, Representative of the Land of Saxony-Anhalt to the German Federal Government and CoR member
 - **Prof Dr Christian Callies**, European Commission, Team Leader, European Political Strategy Centre
- Moderator: **Prof Dr Gabriele Abels**, University of Tübingen, Germany
- 3) The role of macro-regions in European governance**
- **Olgierd Geblewicz**, President of West Pomerania Region and CoR member
 - **Prof Dr Stefan Gänzle**, University of Agder, Norway
- Moderator: **Doreen Huddart**, Member of Newcastle City Council, United Kingdom, and CoR member
- 15:45 - 16:15** **Coffee Break**
- 16:15 - 17:30** **Parallel workshops II**
- 4) Regions and changes in economic governance**
- **Christophe Rouillon**, Mayor of Coulanes, France, and CoR member
 - **Dr Dieter Plewe**, Berlin Social Science Centre (WZB), Germany
- Moderator: **Michael Murphy**, Councillor, Tipperary County Council, Ireland, and CoR member
- 5) Democratic requirements for European regional governance**
- **Mairi Angela Gurgeon**, Member of the Scottish Parliament and CoR member
 - **Prof Dr Ulrike Guérot**, University of Krems, Austria
- Moderator: **Prof Dr Gabriele Abels**, University of Tübingen, Germany
- 6) Social Europe and the challenges for cohesion policy**
- **Simonetta Saliera**, President of the Emilia-Romagna Regional Assembly and CoR member
 - **Claire Dhéret**, EPC Brussels, Social Europe & Well-being programme
- Moderator: **Prof Dr Simona Piattoni**, University of Trento, Italy
- 17:30 - 18:00** **Conclusions**
- **Karl-Heinz Lambertz**, President of the European Committee of the Regions (CoR)
 - **Prof Dr Gabriele Abels**

18:30 – 20:00 **Brexit: a regional perspective**

Panel debate with

- **Mairi Angela Gougeon**, Member of the Scottish Parliament and CoR member
- **Michael Murphy**, Councillor, Tipperary County Council, Ireland, and CoR member
- **Prof Dr Raquel Ortega Argilés**, University of Birmingham, United Kingdom
- **Prof Dr Ulrike Guérot**, Danube University Krems, Austria

Moderator: **Prof Dr Gabriele Abels**, Director of Jean Monnet Centre of Excellence PRRIDE, University of Tübingen, Germany

20:00 **End of conference**



European Committee of the Regions

Created in 1994 following the signing of the Maastricht Treaty, the European Committee of the Regions is the EU's assembly of 350 regional and local representatives from all 28 Member States, representing over 507 million Europeans. Its mission is to involve regional and local authorities and the communities they represent in the EU's decision-making process and to inform them about EU policies. The European Commission, the European Parliament and the Council are obliged to consult the Committee in policy areas affecting regions and cities. It can appeal to the Court of Justice of the European Union if its rights are infringed or it believes that EU law infringes the subsidiarity principle or fails to respect regional or local powers.

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