



Regions of Europe



Editorial

1985 to 2005 - twenty years working towards strengthening the role of the regions at both European and national level.

Much has been achieved, above all when regions have joined forces and formed a united front within the Assembly of European Regions.

Almost all the states of Europe are now subdivided into regions or at least have some decentralised structures, whereas twenty years ago this was the exception rather than the rule. Some regions have been granted legislative powers, others have been able to expand the areas in which they can determine their own affairs.

The European treaties, too, have gradually taken on board the main demands put forward by the regions. The draft European Constitution contains a number of significant improvements: the concept of regional identity has been recognised and the principle of subsidiarity extended to cover the regions.

The European Structural Funds have developed into an effective regional policy instrument for maintaining the integrity of the regions, with funding for regional development being significantly increased.

Targeted European programmes like Interreg have been launched to encourage cross-border interregional cooperation - to the benefit of the regions and their citizens.

Now these historic steps have to be consolidated. The problems with ratification of the European Constitutional Treaty and the lengthy negotiations on the budget for the period 2007-2013 demonstrate that nothing can be taken for granted.

The regions of Europe must continue to demonstrate that they hold the key to Europe's future. They now have the scope and economic clout to respond both to the challenges of global markets and to the expectations of their citizens and can provide Europe with a new impetus that helps overcome the remaining obstacles. It is they who are closest to the problems and are best placed to come up with innovative solutions, stimulate growth and bring prosperity to their inhabitants. And by exchanging examples of successful regional and local solutions they can even help develop models that can be applied throughout Europe. Of that I am convinced! <

Riccardo Illy
President of the AER

Europe's future lies in its regions

EUROPE'S DIVERSITY MEANS IT HAS TO RELY ON ITS REGIONS IF IT IS TO GAIN NEW IMPETUS. PAST SUCCESSES AT REGIONAL AND LOCAL LEVEL CAN BOOST EUROPE'S ECONOMIC DEVELOPMENT AND STRENGTHEN ITS INTERNAL COHERENCE. CROSS-BORDER AND INTERREGIONAL COOPERATION IS THE KEY TO (RE)GAINING POPULAR SUPPORT FOR THE TASK OF CONSTRUCTING A UNITED EUROPE.

They can be large or small, urban or rural, prosperous or in economic transition, centrally located or on the margins, reform-friendly or conservative, innovative, multilingual or dialect areas - the variety is endless. According to the "Tabula Regionum Europae 2005", the map of European regions published by the Assembly of European Regions, the EU has a total of 400 regions - defined as the level immediately below that of central government. 288 of these are in the Europe of 15, and 112 in the ten new member states.

But if you take the continent as a whole, the number is much higher: 800 regional units in 38 democratic members of the Council of Europe that already have regional or decentralised structures. Each is a unique administrative unit, no two are alike.

Astonishing regional diversity

In geographical terms you might at first think that the largest and smallest regions have little in common: Komi or Archangelsk (over 400,000 km²) in western Russia cover areas almost as large as Spain and are ten thousand times bigger than Europe's smallest region, the Swiss canton of Basel-City (37 km²). If the region of Bruxelles-Capitale, with 161.4 km, has the same status within the European Union, how does it compare with the 105,886 km² of the Swedish region of Norrbotten, which is bigger than the whole of Austria?

When it comes to population figures, the regions also differ enormously. With 18 mil-

lion registered inhabitants, the German *Land* of North Rhine-Westphalia has a population greater than 19 of the member states of the recently enlarged EU! In these terms it is bigger than the Netherlands (16 m.), which has the 7th largest population in the EU. The German *Länder* of Bavaria and Baden-Württemberg and the French region of Ile-de-France have populations larger than Greece (11 m., 8th place). Lombardy (9.2 m.) has more inhabitants than Sweden or Austria (13th and 14th place) and Andalusia, (7.6 m.), Catalonia (6.7 m.), the Comunitad de Madrid and Campania (5.7 m.) have populations greater than Denmark (5.3 m., 15th place).



The AER Tabula Regionum Europae 2005 shows that today almost all countries are regionalised.



Continued from page 1...

Strong regions, emerging regions

Throughout Europe, the regions differ not just in terms of size and population but also in the degree of political and administrative autonomy that they enjoy. This means that it is difficult to find a uniform legal definition that fits all regions. Overall it is possible to differentiate between four different categories:

- **Regions with legislative powers.** These participate in the legislative process at federal level, frequently via a second parliamentary chamber, administer their own budget and are permitted to conclude international agreements. This form of self-determination is the most advanced and is typical for federal states that have either been formed by regions coming together (Germany, Switzerland) or by a state being split into regions (Austria, Belgium).
- **Regions with a strong degree of self-determination and autonomous administrations.** Regionalised states such as Italy or Spain, or autonomous regions and islands, for example in Denmark, the United Kingdom or Portugal. In practical terms *"these are states that have so far maintained the principle of unity but in which there is a long tradition of cultural, linguistic or geographical separation of individual areas,"* as legal experts Constance Grewe and Hélène Ruiz Fabri put it. *"These characteristics have caused the states concerned to introduce a variety of different systems of self-government."* One example is Spain, where the Basque country and Navarra have tax-raising powers. And certain British

regions like Northern Ireland, Scotland and Wales have now joined this category as they have traditionally always had "national" teams in sport and now also have their own parliaments or assemblies.

- **Regions in decentralised states** are the third and largest category. These still operate within a unified state, but are gradually gaining a degree of independence although the national constitution lays down that they are still subject to direction by central government - thus guaranteeing national unity (France, Netherlands, Poland, Czech Republic...). Nevertheless, a stronger emphasis on local autonomy is possible. Some regions such as Alsace (F) can now sign their own agreements on interregional cooperation, for example the Karlsruhe Agreement with the neighbouring German Land of Baden-Württemberg, which facilitates implementation of joint cross-border projects.
- **So-called administrative regions** (Greece, Portugal). These were artificially created to facilitate the administration of Community funds and have few powers. But this situation could gradually change and they could develop greater scope for taking action within their own territory as they build up expertise in the administration of structural funds.

Prosperous regions, less developed regions

In economic terms, 39 of the 268 regions listed by Eurostat have a per capita GDP that is above 125% of the EU average and a

further 84 are below the 75% mark. According to the recently published Statistical Yearbook of the Regions, the 39 richest regions are dominated by those located around capital cities: Inner London (315%), Brussels (235%) and Luxemburg (215%) head the list, but the capital regions of the new member states display a similar dynamism, with Prague already ranked in 14th place.

Conversely, many of the regions with a below-average per capita GDP are situated on the margins of the EU - in the new member states but also in eastern Germany, southern Italy or southern Spain, Greece, Portugal and the west of the United Kingdom. Even within an individual country there can be greater or smaller differences depending on whether it is a centralised state without a strong system of financial redistribution (Greece, Portugal) or a federal state such as Germany, where economic development tends to be polycentric. This merely goes to show that if these inequalities are to be reduced, the regionalisation or decentralisation process needs to be accelerated, as it enables a polycentric and more balanced economic development to take place; on the other hand, there is also a need to continue cohesion policy in order to help the poorest regions to catch up.

Perhaps the most striking fact is that these regions, however varied they may be, have been working for 20 years within the Assembly of European Regions to make the process of building Europe more democratic, expand interregional cooperation and bring the people of Europe closer together. <

Regionalisation gains ground in Europe

In recent years, several European states have introduced constitutional or administrative reforms that have resulted in the setting up of new regional bodies or the strengthening of existing ones. The overall goal has been to underpin regional or territorial self-government and enable them to better define their development goals on the basis of local conditions and public expectations.

Thus, 'devolution' in the United Kingdom meant that in 1998 a parliament was set up in Scotland and assemblies were established for Wales and Northern Ireland. Since 2001, a second phase of regionalism has been launched in Italy, with important powers being transferred to the regions (health, environment, education). In 2002, Sweden experimentally created two large regions (Skåne, Västra Götaland). And in 2004 France, albeit grudgingly, passed a law on local responsibilities and rights that gives local authorities a certain freedom to introduce experimental initiatives. Since the end of 2004 the Spanish

regions have been able to take part in meetings of the EU Council of Ministers and a discussion has been launched about the future advancement of self-government in the most developed regions (Basque country, Catalonia).

The accession process has encouraged the young democracies in Eastern Europe to introduce decentralisation. In Poland, for example, the principle of subsidiarity was written into the new constitution in 1997 and a law on decentralisation was passed in 1998 and extended in July 2005. In the Czech Republic, the 14 new regions have been granted powers to sign international agreements and pass laws, even though these are restricted by the constitutional dominance of national legislation (1997-2000). These few examples - which are not intended to be exhaustive - are in line with the recommendations contained in the "Declaration on Regionalism in Europe" published in 1996 by the AER and available in 18

different languages. Until the Council of Europe Charter of Regional Self-government is adopted, this AER Declaration is set to remain the most important document for supporting regionalisation and decentralisation processes.



The regional cause forges ahead in Europe

FOR YEARS, THE REGIONS WERE EXCLUDED FROM THE EU STAGE, WHICH WAS DOMINATED BY THE MEMBER STATES AND EUROPEAN INSTITUTIONS. OVER THE COURSE OF THE PAST 20 YEARS THEY HAVE BATTLED TO ACHIEVE RECOGNITION AS PROTAGONISTS AND PARTNERS IN THE PROCESS OF BUILDING EUROPE. TODAY, AT A TIME WHEN EUROPEAN INTEGRATION IS SUFFERING SERIOUS SETBACKS, IT IS CRUCIAL FOR THE REGIONAL, GRASS-ROOTS DIMENSION TO BE STRENGTHENED.

Photo: European Commission



The AER debates with the European institutions on how to revive the European project. Meeting between Presidents Barroso and Illy in March 2005.

The regions started their campaign to gain entry to the European intergovernmental fortress in the mid 1980s. The European single market, the accession of Spain and Portugal and also a growing wave of European legislation posed such challenges and had such a strong impact that the regions could no longer remain on the sidelines.

Forming a united front within the Assembly of European Regions, which was set up in 1985, they demanded the creation of a senate of the regions as the second chamber of the European Parliament, so that the process of building Europe could be made more democratic. They also called for the introduction of a genuine regional policy in order to ensure that Europe was well rooted in the individual regions and any discrepancies in their development were removed. And they demanded a greater right to become involved in and receive support for cross-border and inter-regional cooperation as an important instrument for European integration.

1985-1992, the first breakthrough

The first results came quickly. Under President Delors, the Commission displayed a willingness to listen and in 1988 launched an initial dialogue with regional and local authorities on issues related to regional policy (in the form of a Commission advisory council). The same year, the European Community introduced its own specific regional policy, as the European Regional Development Fund (ERDF) had hitherto almost exclusively

provided funding for major transnational infrastructure projects. Article 10 of the ERDF provided support for cooperation between European regions.

The crucial step forward, however, was the treaty establishing the European Union (Maastricht, 1992), which for the first time granted the regions a place within the European institutional structure, albeit on a modest scale, by setting up a consultative organ for regional and local authorities - the Committee of the Regions (CoR). The treaty also laid down the principle of subsidiarity, according to which the EU is only allowed to take action if it can offer genuine European added value. And, finally, economic and social cohesion were established as one of the main goals of the Union with the creation of an *ad hoc* fund, the Cohesion Fund.

The rocky road from Amsterdam to Nice

At the same time the AER achieved a further victory: in October 1983 the Heads of State and Government of the Council of Europe agreed at their summit in Vienna to set up the Congress of Local and Regional Authorities →

Regions 2000: greater solidarity

Between 1993 and 2000, the regions achieved few institutional successes, but nevertheless made huge progress in terms of regional and cohesion policy thanks to the support of the European Parliament. Whereas in the period from 1989 to 1993 the Structural Funds amounted to 68 billion ecus (1997 levels), they were increased between 1994 and 1999 to 277 billion ecus (1999 levels) and for the following period (2000- 2006) they amounted to 213 billion euro. The budget for 2007-2013 (not yet adopted) contains an increase to 336 billion euro in order to support convergence and competitiveness in an enlarged Europe.

In each budgetary and program planning phase during this period, the regions became increasingly involved in establishing policy goals aimed at meeting the new challenges of the single market, enlargement, globalisation and sustainable development. They

also contributed towards achieving greater flexibility in the administration of the Structural Funds and greater efficiency in their application. Gradually, the regions became players and partners for regional development and cohesion policy in the EU and their voice was heard by the EU Commission and Parliament.

In this context, the member regions of the AER called for the concept of territorial cohesion to be incorporated into central documents so as to compensate better for the competitive disadvantages that rural, peripheral or geographically remote regions suffer from. The concept was duly incorporated into the Amsterdam Treaty.

The AER also called for the development of cross border and interregional cooperation, as the opportunity to have an exchange of experience and transfer of know-how would

help the regions to find specific solutions for shared problems as well as encouraging intercultural dialogue. The various phases of the Interreg program gradually increased the scope for this to happen.

The AER continues to call for improved coordination of regional and cohesion policy as well as other EU policies impacting on the regions (single market, competition, SMEs, transport, common agricultural policy, research and education). Many contradictions in EU policy have been identified. The AER's latest lobbying campaigns, whether they relate to promoting regional airports, sustainable high-quality agriculture or services of general interest, demonstrate this fact. Vigilance and interregional solidarity are still called for if the regional dimension and cohesion are to have any chance of success.

Continued from page 3...

in Europe (CLRAE) as a consultative organ with two separate chambers (the Chamber of Regions and the Chamber of Local Authorities).

However, neither the Amsterdam nor the Nice Treaty, which were aimed mainly at institutional improvements with a view to the next round of enlargement, offered any progress when it came to democratising the EU and opening it up to its citizens. The demands of the regions - extension of the principle of subsidiarity to include them, institutional status for the Committee of the Regions, a separate representation for the local authorities or the right of appeal to the European Court - remained unmet and the idea of creating a Europe of the regions was once again forgotten.

2001-2005: New hope for the regions

The December 2001 Laeken Declaration on European governance and the setting up of the Convention on the Future of Europe provided a new impetus to the regional dimension of the European project. Despite being rejected by French and Dutch voters in the spring of 2005, the conclusion of work on the draft Constitutional Treaty was an important milestone along the road to a new Europe that is closer to its regions and citizens. The new constitution recognises regional identity as an integral element of the cultural diversity of the European Union. It applies the principle of subsidiarity to the three levels of government: EU, member states and regions - and this guarantees that public policies are implemented as close to the grassroots as possible. The Constitution also confirms that the third pillar of European integration is economic, social and territorial cohesion. The role played by the regions in European legislative processes is also strengthened by the introduction of compulsory consultation by the Commission of all players potentially affected by new legislation. What is more, the Constitution gives the regions - via the Committee of the Regions - the right to appeal to the European Court if they are of the opinion that the principle of subsidiarity has been infringed.

Achievements to be protected and consolidated

At a time when the Constitutional Treaty is being put into question, it is important that these significant steps along the road to a more democratic European Union that is closer to its citizens should be protected and, if possible, consolidated. Faced with new economic and social challenges, the member states cannot just build on their own strengths. And the European Union, if it is to progress, needs the trust of the population at large. With their potential for development and their ability to engage in dialogue with their citizens, the regions are more crucial to the future of Europe than ever before. <

The AER, twenty years on

OVER THE LAST 20 YEARS, THE AER HAS WAGED COUNTLESS CAMPAIGNS ON BEHALF OF EUROPE'S REGIONS. IT ADAPTED TO NEW CHALLENGES, REDEFINED ITS OBJECTIVES AND MADE FULL USE OF ITS THREE TRUMP CARDS: INTERREGIONAL SOLIDARITY, A DIRECT LINK TO THE GRASS ROOTS AND THE ABILITY TO PRE-EMPT TOMORROW'S CHALLENGES.

Photo: Jacek Babiel



Engaging young people in politics, a constant priority for the AER.

As the most important forum for policy-making and lobbying on behalf of the European regions, the AER has always joined in the fray at crucial moments for Europe - when it came to reforming the treaties or reviewing regional and cohesion policy. Regionalisation and cooperation are the two major pillars of its activities, and its main instrument is interregional solidarity. But beyond these rather abstract areas of activity, it has always remained in touch with the citizens and has addressed their concerns.

In the year of its foundation it launched the first European programme aimed at enabling young people to find jobs through improved training and mobility - Eurodissey. And throughout its history it has constantly mobilised its members to involve young people in public life. It has taken the initiative on a number of occasions, launching the prize for the most youth-friendly region, organising the Youth Summer School and establishing a Youth Team to mainstream young people's concerns in all of its Committees.

It has made education policy a main area of focus and has encouraged regions to reform

their education and vocational training systems in line with the needs of modern societies in which creativity and innovation are increasingly in demand.

The AER has also succeeded in protecting services of general interest in the fields of culture, education, health and social affairs, by removing them from the scope of the EC internal market rules (and by implication the GATS).

Even before the fall of the Berlin Wall, the AER had member regions from Central and Eastern Europe, and it now has members from South-Eastern Europe, Ukraine and Russia so that dialogue and cooperation with regions outside the EU can continue. Exchange schemes and training programs such as Centurio or the AER Summer School were specifically designed to help such regions.

It is vital that the AER and its member regions should work with increased determination towards these goals, helping regional democracies mobilise the people and engage their support in constructing Europe. <



**AER - ARE - VRE Dossier
Regions of Europe
Winter 2005**
Thematic dossier of the Assembly of European Regions (AER)

Responsible for publication - Klaus Klipp

Chief editor - Barbara Skoczylas-Thauront

Consultation - Joanna Benfield, Agnès Ciccarone

Editor - Barbara Skoczylas-Thauront

Editorial assistant - Francine Huhardeaux

Translations - Ursula Gerstenmaier (GB & D)

Design and layout - Agence Contexte - Strasbourg (F)

Printed by - OTT - rue Pins - 67310 Wasselonne (F)

Print run (in three languages) : 6 500 ex.

Reproduction permitted with acknowledgement of source.

November 2005

AER

General Secretariat - 6, rue Oberlin - F-67000 Strasbourg

www.a-e-r.org - Tel: +33 3 88 22 07 07

Fax: +33 3 88 75 67 19 - E-mail: infopresse@a-e-r.org

Brussels Office - 2 place Saintelette - B-1080 Bruxelles

Tel: +32 2 421 85 12 - Fax: +32 2 421 84 81

E-mail: s.cools@a-e-r.org