

Opinion of the European economic and social Committee on the ‘Governance and partnership at national and regional level, and a basis for regional policy projects’ (European Parliament referral)

(2009/C 77/30)

On 22 April 2008 the European Parliament decided to consult the European Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, on

Governance and partnership at national and regional level, and a basis for regional policy projects.

On 25 May 2008 the Committee Bureau instructed the Section for Economic and Monetary Union and Economic and Social Cohesion to prepare the Committee’s work on the subject. The draft opinion was prepared by Mr van Iersel, rapporteur and Mr Pásztor, co-rapporteur.

Given the urgent nature of the work, the European Economic and Social Committee appointed Mr van Iersel as rapporteur-general at its 447th plenary session, held on 17 and 18 September 2008 (meeting of 18 September 2008), and adopted the following opinion by 96 votes to 1 with 2 abstentions.

1. Conclusions and recommendations

1.1 The EESC welcomes the initiative of the European Parliament aiming at European, national and regional governance and partnerships in regional policy.

1.2 In the EESC’s view good governance implies ‘multi-level government’ and partnerships with representative organised civil society at regional level.

1.3 Consequently, the EESC agrees with the Council and the Commission as to the desirability of effective ‘multi-level government’ and better governance in applying EU-Funds and implementing EU-policies. The question is not ‘if’, but ‘how’. It is a matter of fine-tuning bottom-up initiatives and top-down framework conditions.

1.4 The EESC endorses the Parliament’s proposal to set up a formal Council of Territorial Development. It would underline ‘multi-level government’ and it would make discussions and agreements more obligatory.

1.5 In the view of the EESC, ‘multi-level government’ is a flexible structure of relations between Commission, governments, and regional and local authorities, tailor-made according to specific situations and thematic considerations rather than a hierarchical framework of competences between governmental layers. Good governance is characterised by open-minded relations and a less strict application of the ‘subsidiarity’ principle.

1.6 Europe needs self-confident resilient and sustainable regions and cities. As a number of examples show, regions and cities often get positive impulses from the dynamics of economic internationalisation. They find new ways to put themselves successfully on the map.

1.7 Notwithstanding the wide and often complicated variety of administrative structures in the Member States, for the future

the EESC strongly pleads procedures and working methods that enhance responsibility and accountability of regions and cities ⁽¹⁾.

1.8 Practical evidence shows that decentralised responsibility and accountability foster leadership and vision. These usually form a firm base for public-public partnerships as well as for public-partnerships with a number of stakeholders such as social partners, chambers of commerce, companies, development agencies, housing organisations, quangos, environmental agencies, social organisations, schooling facilities at all levels, architects, and artists.

1.9 Consequently, representative organised civil society at regional level should be given the opportunity for responsible and transparent involvement in defining and executing EU regional programmes. Taking local and regional (non-governmental) views on board will contribute to the acceptance of the values of the Union by the citizens.

1.10 The EESC is of the opinion that well-structured consultations can lead to successful partnerships with non-governmental stakeholders in the whole chain of defining, monitoring and evaluating regional policy ⁽²⁾.

1.11 Flexible ‘multi-level government’ and good governance, and corresponding synergies focussed on tailor-made solutions can be most helpful to respond to the ultimate objective of EU and national regional policy, which is to activate existing forces and hidden potentials of regions and cities.

⁽¹⁾ In the EESC’s view, ‘regions’ and ‘cities’ are not necessarily similar to corresponding existing administrative entities, but it is rather a dynamic concept consisting of coherent socio-economic areas embracing network-regions, cities and their surroundings, interconnected municipalities and metropolitan areas.

⁽²⁾ See EESC Opinion ‘Partnership for implementing the Structural Funds’, OJ C 10 of 14.1.2004, p. 21.

1.12 A European exchange programme can be set up for officials in regions and cities as well as a well-structured system of exchanges of experiences and the disseminating of good practices. Specialised research institutes and universities can be supportive.

2. Context

2.1 Since 2001, 'governance' rightly came to the foreground because of the growing need to link EU policies more directly with compliance and implementation by and in Member States ⁽³⁾.

2.2 In the same perspective, the EESC welcomes the forthcoming report of the European Parliament on national and regional governance and partnership ⁽⁴⁾. It is a positive signal that the EP as a European Institution is showing an increasing interest in the way regional policy is shaped concretely in the Member States.

2.3 More generally, the EP paper demonstrates that the dynamics of developments, such as economic internationalisation and continuous change inevitably ask for adjustments in the strict application of the principle of 'subsidiarity'. More flexible interaction and synergies between the various levels of government are needed to keep pace with worldwide developments and to implement commonly agreed European policies successfully. The changed procedures as to the realisation of the Lisbon Strategy, in which Commission, Council and Member States share responsibilities, is an illustrative example of such interaction and implementation.

2.4 'Multi-level government' in which the Commission, national administrations and governments, regional and local authorities each have their place and also share responsibilities in a common framework, is the footprint of the same dynamics.

2.5 Regional policies and projects are shaped in the framework of national and regional administrative practices which are usually tremendously complicated and varied. But it is obviously in the interest of citizens and business that policies and projects are carried out correctly and in a consistent way across Europe.

2.6 The attention of the EP for this subject as well as the many questions to be answered to promote convergence of practices across the EU in view of attaining optimal successes in regional policies boil down to corresponding considerations worked out in documents of the Commission and the Council.

2.7 A number of these considerations and corresponding principles are worked out in the Commission's staff working

document 'Innovation and regional policy' ⁽⁵⁾ in preparation of the Informal Ministerial Meeting on Territorial Cohesion and Regional Policy in the Azores ⁽⁶⁾. They were already applied and to a certain extent implemented in the period 2000-2006. Time and again the Commission argues that enhanced '*competitiveness cannot be achieved by individual Member States or by regions alone: close cooperation is required amongst all relevant public authorities, business, citizens and social partnerships in a partnership with the European Commission and the European Institutions*' ⁽⁷⁾. Moreover, successful evaluation requires up-to-date administrative and institutional capacity.

2.8 The Commission argues that progress will be only possible by developing multi-level systems for innovative government, which includes strategic coordination, an adequate strategy mix for each region — there is no single 'miracle strategy' — in which networks, clusters, poles of excellence are identified, possibly supported by regional agencies, for selection.

2.9 For the programming period 2007-2013, the Commission deepened its objectives in the Community strategic guidelines on cohesion with a focus on competitiveness, growth and human resources. It developed a European territorial objective focussing on '*cross-border cooperation through joint local and regional objectives and initiatives, trans-national cooperation aiming at territorial development, and interregional cooperation and exchange of experience*' ⁽⁸⁾.

2.10 The Ministers for Territorial Cohesion and Regional Policy defined an Agenda for regions and cities in the Leipzig Charter and the Territorial Agenda ⁽⁹⁾. In the Azores, the Informal Ministerial Meeting took the next step in defining the way in which the Agenda for regions and cities must be carried out. The Ministers underlined strongly in the First Action Programme ⁽¹⁰⁾ their '*belief that multi-governance is a fundamental tool for a balanced spatial development of the EU and offer ourselves to convene with selected stakeholders and local and regional authorities the implementation of the Territorial Agenda priorities*'.

2.11 In this programme, the Ministers further underlined that the aims of the Territorial Agenda can be best pursued 'according to the institutional arrangements within each Member State, through a strong involvement of national, regional and local powers and stakeholders and a dialogue with the European Commission and the other European Institutions' ⁽¹¹⁾. Here again, one notices the emphasis on the need of mutual discussion, support and action in the whole governance chain, from local actors across Europe to the Commission and vice versa.

⁽⁵⁾ SEC(2007) 1547 of 14.11.2007.

⁽⁶⁾ Meeting during the Portuguese Presidency, 23 and 24 November 2007.

⁽⁷⁾ *ibid.* pag. 6. See also pag. 18: decisive factors for a successful region.

⁽⁸⁾ *ibid.* pag. 17.

⁽⁹⁾ 'Leipzig Charter on Sustainable European Cities' and 'Territorial Agenda of the European Union, Towards a More Competitive and Sustainable Europe of Diverse Regions', Informal Ministerial Meeting on Urban Development on 24/25 May 2007.

⁽¹⁰⁾ 'First Action Programme for the Implementation of the Territorial Agenda of the European Union', 23 November 2007.

⁽¹¹⁾ *Ibid.* pag. 8.

⁽³⁾ *European Governance*, COM(2001) 428 final presented amongst others a new vision on the way the EU could and should function, creating better involvement and more openness, identifying sharply the link between policies, regulation and concrete delivery. It was explicitly intended to improve the connection of Europe with its citizens.

⁽⁴⁾ PE407.823v01-00 — Rapporteur Jean-Marie BEAUPUY.

2.12 In the five lines of action the Ministers emphasised the need for strengthening multi-level territorial governance, new forms of partnerships and territorial governance as well as the need to give a territorial/urban dimension to sectoral policies.

2.13 It is nonetheless disappointing — if not typical — that in the Action Programme the responsibility for concrete implementation, at least in its definition, still remains nearly exclusively in the hands of the Member States, and that regional and local authorities and other stakeholders are rarely mentioned as an indispensable part of the process. The traditional concept of 'subsidiarity' still prevails.

3. General comments

3.1 There are obstacles to transparency, consistency and efficiency in planning and implementing regional policy. These are partly due to the organisation and working methods of and between Directorates General and European Funds at EU-level. For a large part, however, they are due to defaults and gaps in the functioning of 'multi-level government' and in the implementation of policies and programmes.

3.2 The draft report of the EP rightly demonstrates that a number of positive initiatives have been taken to improve governance at EU-level, such as URBAN I and II, LEADER and Urbact.

3.3 According to the EESC, some of the initiatives, however, are rather vague, such as the Territorial Agenda. Besides, there is no practical evidence to what extent 'multi-level government' is a success factor in the above-mentioned programmes.

3.4 Although 'multi-level government' is becoming a more accepted practice across the Union, transparent and consistent working methods, and communication are still lacking. This is largely due to the fact that the EU does not operate as a unitary state.

3.5 Also the way in which national governments and stakeholders such as decentralised authorities perceive the place of the EU in the concept of 'multi-level government' sometimes differs greatly depending on national interests and cultural traditions.

3.6 A third consideration as to possible problems with 'multi-level government' flows forth from the broad variety of administrative and political concepts that exist in Member States themselves, and which are deeply rooted and usually not apt for change.

3.7 These considerations demonstrate that a one size fits all approach at EU level in regional planning and programming is almost impossible. National and often also regional structures, approaches and attitudes remain decisive. Nonetheless, practical circumstances, such as actual international financial and socio-

economic developments, force to a re-examination of procedures in order to make regions resilient and fit for change.

3.8 EU regional policy should be a bottom-up as well as a top-down process. Bottom-up because regions have to identify and improve their social and economic, environmental and competitive conditions, and because European (and national) regional policy has necessarily to be implemented on site. Top-down because of the financial resources and framework conditions which are provided and defined at EU and national level. It never is one-way traffic.

3.9 The initiatives taken at EU level and the good intentions of Member States to promote more effective and convergent administrative approaches across Europe must be judged positively. Good governance in regional policy, however, requires first and foremost adjustments in rigid forms of 'multi-level government', which boils down to adjustments in governmental style and mentality.

3.10 The above-mentioned documents in Chapter 2 demonstrate that the Council largely shares this view. This is certainly a big step forward. But from words to practical implementation is often a long road.

3.11 Effective implementation is easier to accomplish in countries and regions with a decentralised tradition than in administratively centralised systems. Additional complications arise in the some Member States, where a fine-tuned regional policy does not exist and where regional authorities are still not fully established.

3.12 The EESC emphasises the need of better and accurate European statistics as a basic requirement for effective regional policy.

3.13 The EESC supports all endeavours to improve European governance. It should result in a better and more transparent link between 'policies' and delivery. For delivery, the participation of regional and local stakeholders, public and private, is indispensable. They must be taken on board more visibly. Involvement usually leads to shared commitment and responsibility. In the view of the EESC this is crucial.

4. 'Multi-level government': interaction between Commission, governments and regions

4.1 At the level of the Commission, the presentation of the various Community funds, related to regional policy, should become more coherent. The overall picture of principles, targets and objectives of Community policies in this field is rather confusing for outsiders.

4.2 There is a need for a commonly agreed approach between the Directorates General of the Commission. In this respect the Interservice Group Urban Affairs ⁽¹²⁾ can be very helpful.

⁽¹²⁾ The Interservice Group Urban Affairs dates from ... All DG's dealing with specific fields of interests of cities are represented.

4.3 A more cohesive presentation and the visibility of a common approach at EU-level may also set an example for governments and ministries to come to integrated approaches to regions and cities where these at national level usually are lacking. It will be helpful anyway to close to a certain extent the gap between the EU-level and regions and cities.

4.4 A flexible implementation of 'multi-level government' and corresponding synergies can be a welcome incentive for adjusting administrative practices in Member States. As the ultimate objective of regional policy is to activate as much as possible the (hidden) potentials of regions and cities, governmental structures must be organised accordingly in a transparent and consistent way.

4.5 The EU Funds, in close coordination with national programmes, have to offer stimulating incentives to foster these potentials.

4.6 The Commission has also a wider role in linking regions and cities to Europe and in supporting self-confident resilient and sustainable regions and cities: by explaining, also at decentralised level, the significance of the Lisbon Agenda (which up till now is still not well understood); by building awareness among the future role of cities and metropolitan areas; by disseminating successful approaches across Europe⁽¹³⁾. Specialised research institutes and universities can be supportive in this respect.

4.7 In the view of the EESC, this certainly does not mean new bureaucratic procedures, but rather less bureaucracy and red tape, and a targeted and consistent decentralisation.

4.8 According to the EESC, decentralisation is very promising in that it accentuates the responsibility of regional and local authorities and fosters accountability.

4.9 Responsibility and accountability are key. They are the building blocks for the basic requirements of any regional development, which are leadership, vision and consistency. There are outstanding examples of these in Europe⁽¹⁴⁾.

4.10 The EU and national governments should take into account the mechanisms and working practices in successful regions and cities, including metropolitan areas. These are not tiny 'states'. They are of a different nature; their management differs fundamentally from state-level management.

⁽¹³⁾ The Commission has worked out expertise for 26 regions in France in a form of benchmarking.

⁽¹⁴⁾ One outstanding example is Bilbao, where twenty years of leadership, vision and consistency have produced a modern, future-oriented metropole in a region that was totally depressed and in bad shape in the early eighties. This leadership in Bilbao was financially supported by the Central and Basque government and by the province, an example of efficient public-public partnership as well as by a convincing partnerships with organised civil society and with the private sector.

4.11 Their approach is often inspired by concrete objectives that are drivers for the total development⁽¹⁵⁾; their image is most of the time determined by improvement of conditions for (foreign) investment, clusters and human resources. At the same time, nowadays, sustainable development is high on the agenda, and so is social inclusion, and quality of work and living conditions.

4.12 A European exchange programme can be set up for officials in regions and cities. Cross-border knowledge of one another's approaches and strategies, e.g. regarding spatial development, promoting economic attractiveness and social housing will be very beneficial.

4.13 The EESC suggests to set up twin programmes between regions and cities across Europe as these already exist in a number of other policy areas, in order to make their regions accustomed to decentralised programmes and procedures.

4.14 Such well-structured exchanges within Europe can add to a change of mentality and attitude to promote expressiveness and resilience of regions and cities. As a number of examples demonstrate, regions and metropolitan areas often get positive impulses from the dynamics of economic internationalisation. They find new ways to put themselves on the map.

4.15 Community programmes can support this awareness, either by projects co-financed by the Funds, or by targeted communication and advice given by Commission officials. They can be helped by specialised advisory bodies operating across borders. Support of the EP favouring to structure this process, that is already on its way, would also be most helpful.

4.16 The EESC endorses the proposal of the EP to set up a formal EU Council of Territorial Development. It would underline the significance of 'multi-level government'. It would be a good platform for developing ideas about a holistic approach for regions and cities. It would make discussions and agreements in the Council more obligatory.

4.17 On the basis of the First Action Programme (2007)⁽¹⁶⁾ a European discussion could be started on the modernisation of administrative systems and practices as to the relationship state — regions/cities. Its objectives should be: reduction of bureaucratic procedures, confidence building, promotion of resilient and sustainable regions and cities transparency, shortening of lines between decentralised levels and EU-level.

⁽¹⁵⁾ Among these, interesting examples are the junction of fast trains in Lille, the Olympic Games and the 500th anniversary of the discovery of America by Columbus in Barcelona, and a future-oriented new city-centre in Birmingham. In all three cases these driving objectives were a fresh starting point for a new development.

⁽¹⁶⁾ See *First Action Programme*, pag 5: 'New forms of territorial governance are required to foster a better integrated approach and a flexible cooperation between different territorial level'.

4.18 These suggestions are to be seen as part of a better 'governance' of the relationships between public authorities at all levels. These should not or no longer be seen in the framework of a hierarchy of competences between governmental layers. By contrast, in the view of the EESC 'multi-level government' is a flexible model of relations between Commission, national governments, and regional and local authorities, tailor-made according to specific situations and thematic considerations.

5. Good governance implies partnerships with organised civil society

5.1 In the EESC's view up-to-date local and regional management requires active involvement of the various segments of the local and regional communities. They can bring in varied competences and views, responding to specific needs. Explicitly or implicitly this is also recognised in a number of considerations of the Council ⁽¹⁷⁾.

5.2 The central reference concerning 'partnership' is article 11 of the general regulation on the structural funds that calls for partnership, i.e. consultation and involvement of socio-economic actors and organised civil society ⁽¹⁸⁾.

5.3 In the view of the EESC good governance in regional policy includes responsible and transparent participation of representative and legitimate civil society, consisting of well-defined actors at regional level. Consultation and involvement should take place in defining, programming and evaluating regional projects. This cooperation should also be accomplished in case of interregional and cross-borders projects, amongst others in the framework of a European grouping of territorial cooperation ⁽¹⁹⁾.

5.4 In more general terms the EESC's view is that decentralisation is salutary in fostering responsibility and accountability

of local and regional authorities that will also activate non-governmental stakeholders like social partners, chambers of commerce, companies, development agencies, housing organisations, quangos, environmental agencies, social agencies, schooling facilities at all levels, health care, architects, and artists.

5.5 Despite intentions expressed by the Council and a continuous dialogue between the Commission, and Member States and regions to foster such partnerships, these are still only practice in a limited number of cases ⁽²⁰⁾. In many cases they simply do not exist. Good examples should be published.

5.6 For its part, representative civil society has also to be organised satisfactorily at regional level, and it has to dispose of the right competences. These conditions are not easy in those cases where civil society is weakly developed or when it reflects a wide variety of sometimes opposing interests.

5.7 The Commission should be given the opportunity to act as a catalyst and as a promoter of learning curves in decentralised governance.

5.8 Also the awareness and the vision on the need of change and adjustment in regions and cities can foster more and better partnerships. Experience shows that a consistent vision among public authorities creates room for intensifying cooperation with other stakeholders. Article 11 on Partnership in the general provisions on the Structural Funds should be taken in consideration in the same perspective.

5.9 There are many opportunities. Better governance at decentralised level will make societies as a whole more resilient and fit for the future.

5.10 In view of the fact that the European Commission intends to publish a document on the issue of partnership in the framework of the EU Cohesion Policy later this year, the EESC proposes to return to this matter in more detail in a separate Opinion.

Brussels, 18 September 2008.

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of the European Economic and Social Committee
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⁽¹⁷⁾ See Chapter 2.

⁽¹⁸⁾ Council Regulation (EC) 1083/2006, July 2006, that is to be applied on all EU cohesion policy programmes for 2007 to 2013. It goes without saying that partnerships at national level, however important they are, cannot be a substitute for partnerships with regional civil society.

⁽¹⁹⁾ Regulation (EC) 1082/2006, July 2006. This regulation regarding cross-border operations is limited to administrative practices.

⁽²⁰⁾ At several occasions the EESC has pleaded partnership in the implementation of regional policy, e.g. 'Partnership for implementing the Structural Funds', OJ C 10 of 14.1.2004, p. 21, and the 'Role of civil society organisations in the implementation of EU cohesion and regional development policy', OJ C 309 of 16.12.2006, p. 126. Regional partnership should be guaranteed in other fields, such as the Competitiveness and Innovation Programme and FP7, see the EESC opinion on 'The territorial governance of industrial change: the role of the social partners and the contribution of the Competitiveness and Innovation Programme', OJ C 318 of 23.12.2006, p. 12.