

OPINIONS

COMMITTEE OF THE REGIONS

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Opinion of the European Committee of the Regions on Reflecting on Europe: the voice of local and regional authorities to rebuild trust in the European Union

(2018/C 461/02)

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Reference document: Referral by Donald TUSK, President of the European Council, on 8 November 2016 asking the European Committee of the Regions (CoR) to draft an opinion on 'Reflecting on Europe: the voice of regional and local authorities to rebuild trust in the European Union'

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

Preamble: the context of the local and regional representatives' contribution to rebuilding trust

1. Having regard to the European Committee of the Regions' (CoR) Mission Statement, Brussels, 21 April 2009: 'We are a political assembly of holders of a regional or local electoral mandate serving the cause of European integration. Through our political legitimacy, we provide institutional representation for all the European Union's territorial areas, regions, cities and municipalities. Our mission is to involve regional and local authorities in the European decision-making process and thus to encourage greater participation from our fellow citizens (...) We keep watch to ensure that the principles of subsidiarity and proportionality are upheld so that decisions are taken and applied as close to the citizens as possible and at the most appropriate level (...) We have a direct dialogue with our fellow citizens on Europe's achievements and future challenges and we help to explain and expound the implementation and territorial impact of Community policies';
2. Having regard to the five political priorities of the CoR 2015-2020 ('A fresh start for the European economy', 'The territorial dimension of EU legislation matters', 'A simpler, more connected Europe', 'Stability and cooperation within and outside of the European Union', 'Europe of the citizens is Europe of the future');
3. Having regard to the referral of the President of the European Council on 8 November 2016 asking the CoR to draft an opinion presenting the perceptions and the proposals of local and regional authorities on the future of Europe in order to help rebuild trust in the European project⁽¹⁾;
4. Having regard to the European Commission's White Paper on the future of Europe, Reflections and scenarios for the EU27 by 2025 of 1 March 2017 and the subsequent five Reflection Papers;

⁽¹⁾ Letter of the President of the European Council to the President of the Committee of the Regions, 8 November 2016, http://www.cor.europa.eu/en/events/Documents/Letter%20Tusk%20Markkula_Reflecting%20on%20the%20EU_081116.pdf.

5. Having regard to the Rome Declaration, signed on 25 March 2017, which states that the signatories 'pledge to listen and respond to the concerns expressed by [their] citizens' and that they 'will work together at the level that makes a real difference, be it at European Union, national, regional, or local level, and in a spirit of trust and loyal cooperation, both among Member States and between them and the EU institutions, in line with the principle of subsidiarity. We [they] will allow for the necessary room for manoeuvre at the various levels to strengthen Europe's innovation and growth potential. We want the Union to be big on big issues and small on small ones. We will promote a democratic, effective and transparent decision-making process and better delivery';
6. Having regard to the Letter of intent of the President of the EU Commission ⁽²⁾ which seeks to continue the White Paper debate on the future of Europe all the way to the June 2019 elections through debates, Citizens' Dialogues, interaction with national Parliaments and work with regions;
7. Having regard to the report 'Reaching out to EU citizens: a new opportunity' ⁽³⁾ which states: 'the regions also play a growing role in rethinking governance in the Union and its Member States. With their solid socioeconomic base and common cultural identity, they offer the right scale for policy orientations and adequate delivery in many policy areas, as they are important actors and intermediaries in the outreach to citizens'; and to the 'EU Citizenship Report 2017' ⁽⁴⁾, where it is recognised that it is vital to strengthen citizens' sense of belonging and participation to the integration project;
8. Having regard to the three resolutions of the European Parliament related to the future of the European Union ⁽⁵⁾;
9. Having regard to the launch of 'citizen's consultations' in EU Member States from April 2018.

Understanding and reporting the citizens' and local and regional representatives' perceptions and expectations on their EU

(a) Local and regional representatives are working to make the voice of citizens heard

10. Highlights that under its 'Reflecting on Europe' initiative launched in March 2016, it has been working to build trust between the European Union and its people through citizen and town hall dialogues and meetings with associations and assemblies of local and regional politicians as well as with a number of grassroots movements ⁽⁶⁾ and national and European territorial associations aiming at listening and reporting back the views, ideas and concerns of people on the European project;
11. Notes that, so far, over 176 political representatives of the European Committee of the Regions have engaged in the process by initiating and participating in Citizens' Dialogues as part of the 'Reflecting on Europe' exercise. Over 40 000 participants have taken part in person or digitally in these events in 110 regions across all the Member States. More than 22 000 citizens have taken part through an online survey and mobile application as feedback mechanism allowing participants in the dialogues and citizens to contribute to the discussion remotely also;
12. Highlights that elected representatives from all the CoR Political Groups are participating in these activities and, wherever possible, are sharing platforms with representatives of the European Council, members of national parliaments, members of the European Parliament, the European Commission and the European Economic and Social Committee; stresses that further coordination is necessary to improve the visibility and the impact of the outreach activities of all institutions and Member States;
13. Stresses the results of the survey commissioned by the CoR among local and regional authorities (LRAs), including CoR members and alternates, and their associations ⁽⁷⁾;

⁽²⁾ Letter of intent to President Antonio Tajani and to Prime minister Jüri Ratas, 13 September 2017, https://ec.europa.eu/commission/sites/beta-political/files/letter-of-intent-2017_en.pdf

⁽³⁾ Luc Van den Brande — President Juncker's Special Adviser, *Reaching out to EU citizens: a new opportunity*, October 2017.

⁽⁴⁾ COR Opinion on EU Citizenship Report 2017, COR-2017-01319, Rapporteur Guillermo Martínez Suárez.

⁽⁵⁾ European Parliament (2017) Improving the functioning of the European Union building on the potential of the Lisbon Treaty, P8_TA(2017)0049; (2017) Possible evolutions of and adjustments to the current institutional set-up of the European Union, P8_TA(2017)0048; (2017) Budgetary capacity for the euro area, P8_TA(2017)0050.

⁽⁶⁾ Such as Why Europe, Pulse of Europe, Stand up for Europe, Committee for the Defence of Democracy, 1989 Generation Initiative.

⁽⁷⁾ London School of Economics, *Reflecting on the future of the European Union*, March 2018, <https://cor.europa.eu/en/engage/studies/Documents/Future-EU.pdf>.

14. Notes that in the majority of dialogues issues are seen by people through the prism of what happens in their region, city or local area; in this context, notes that EU politicians from regions and cities are thus on the frontline of citizens' concerns and expectations;

(b) *What citizens told us: they want an EU project build on solidarity, cohesion and proximity*

15. Underlines that the main concerns expressed in CoR's citizens' dialogues⁽⁸⁾ are slow implementation of solutions especially in the field of unemployment, migration and in the general socioeconomic situation;

16. In this context, draws attention to the fact that many citizens have expressed a wish for more solidarity in the EU; this is a strong call for action to reduce the existing and in many cases growing inequalities in different fields, mainly by reinforcing cohesion and solidarity between and within Member States and regions; meeting this general expectation may require re-orienting and re-balancing a number of policies in the European Union;

17. Signals a widespread frustration with the EU, as the Union is often perceived as too remote and not trustworthy. At the same time many people still feel that they do not know what the EU is and what it is doing. This is leading to a significant gap between people's expectations and the EU's ability to deliver. There is a lack of perceived benefit in tackling local issues, also due to weak communication, as well as misleading narratives and vocabulary used when addressing citizens as well as poor involvement in the decision-making process;

18. Observes that Eurobarometer polls⁽⁹⁾ show that over two-thirds of respondents are convinced that their country has benefited from being a member of the EU;

19. Reiterates, in this respect, that the Member States have shared responsibility for finding solutions at European level to ensure that the EU has the capacity to act in relation to the major agendas, where it can bring real added value. At the same time they have to carry out the necessary national reforms, including sufficient funding, to ensure well-functioning local and regional management, where citizens can see that problems are being addressed;

20. Highlights the fact that in many local debates and also according to the survey's results, the under-30s are the generation that is most enthusiastic about the EU, and they set great store by the freedom of movement and the educational opportunities offered by the EU; is also aware, however, that this generation has been hit hardest in many countries by the lasting effects of the economic crisis and by youth unemployment and is very critical of the European Union's role in this context; insists therefore that a much stronger future-orientation of EU policies is necessary and needs to be built into the EU decision-making system, with concrete action and more dedicated resources to address specific problems of younger people;

21. Stresses that the concern of citizens that they are not sufficiently taken into consideration during the decision-making process often leads to different forms of distrust towards democratic institutions including those of the EU;

22. Highlights that trust in the local and regional levels of governance on average is higher than trust in national government, and in most Member States it is also higher than trust in the EU;

23. In order to rebuild trust in the EU, highlights the importance to clarify for citizens who is ultimately responsible for decisions at EU level and therefore calls for democratic accountability to be reinforced;

⁽⁸⁾ CoR, *Reflecting on Europe: how Europe is perceived by people in regions and cities*, April 2018, https://cor.europa.eu/en/events/Documents/COR-17-070_report_EN-web.pdf

⁽⁹⁾ Eurobarometer — *Public opinion in the European Union*, Annex, n. 88, November 2017 <http://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/ResultDoc/download/DocumentKy/81142> Eurobarometer — *Future of Europe*, n. 467, September — October 2017 <http://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/survey/getsurveydetail/instruments/special/surveyky/2179>; Eurobarometer survey commissioned by the European Parliament, *Democracy on the move one year ahead of European election*, n. 89.2, May 2018, http://www.europarl.europa.eu/pdf/eurobarometre/2018/oneyearbefore2019/eb89_one_year_before_2019_eurobarometer_en_opt.pdf

24. Recalls that European integration is a project of giving political expression to a set of universal values and rights, but that many citizens are disappointed by what they perceive as the EU's inability to live up to, and uphold its own values; recognises that it is of crucial importance to continuously reconfirm the EU citizens' common values which are indispensable as the foundation of mutual trust and compromise;

25. Considers there is significant potential for the development of a 'civic European identity' among EU citizens with important rights and duties that affect their everyday lives; such an identity that is based on Europe's rich historical and cultural heritage would be important to increase the feeling of belonging by individual citizens to the 'European project' and should complement and enrich national, regional and local identities that make up an individual's identity; while no feeling of identity can and should be imposed, it can be supported and encouraged through civic participation, cultural activities and education and should thus be supported by adequate measures and resources;

26. Recognises that citizens living in knowledge-centred and future-centred societies can better spot the needs of their local communities and therefore are better placed to experiment and prototype evolving innovative solutions designed to meet local needs;

27. Supports the demand from citizens for more channels of democratic participation and better communication with the European institutions via permanent and structured channels of dialogue. To this end, urges that the European Commission's communication strategy operating through its information networks be strengthened by means of regional authorities' potential for coordinating the Europe Direct information centres situated on their territory. This would multiply the impact of their work;

(c) *The strong call of local and regional representatives to be fully involved in the definition and implementation of the EU project* ⁽¹⁰⁾

28. Agrees with the representatives of the local and regional level that the priority areas on which the EU should focus refer mainly to cohesion policy, followed by social policy (including education and mobility), economic policies (employment and growth), migration and integration, environmental issues (including climate change) and safety;

29. Highlights that both from the Citizens' Dialogues and from the survey among LRAs emerges a strong concern for young people, how to provide them with the right opportunities and how to meet their expectations;

30. Underlines that just as for citizens, solidarity is also a recurring concept for LRA representatives, as one of the European Union's key founding values;

31. Highlights that a majority of LRA respondents consider that more decentralisation and a better division of powers are essential elements of good governance because they increase transparency, accountability and quality of policy making as they allow a direct involvement of and engagement with citizens and allows place-based solutions; notes that the LRAs' involvement in the EU decision-making process brings added value to the policies pursued;

32. Observes that LRAs are keenly aware of the ever growing need for cooperation beyond national borders in order to meet the major challenges of our times such as climate change and natural disaster, globalisation in all its expressions, digitalisation and its social consequences, instabilities around the globe, demographic change, poverty and social exclusion etc. They also play a decisive role in implementing cohesion policy, including cross-border cooperation initiatives such as numerous small-scale and people-to-people projects which are particularly important as a daily concrete illustration of solidarity;

33. Highlights that LRAs also wish the European Union to focus more on EU citizenship rights such as the right to live, work, and study freely; in this respect, important work can be carried out by regional and local administrations, in cooperation with the European institutions, in informing citizens of the real opportunities that free movement offers them to study or develop their careers in another Member State;

⁽¹⁰⁾ London School of Economics, *Reflecting on the future of the European Union*, March 2018.

Anchoring EU policies locally to make a difference to people's lives

(a) Addressing societal challenges locally

34. Stresses that the EU policies need to empower people in addressing the issues that are important to their lives and to which all levels of governance, from the European to the local, need to provide answers;

35. Notes that the societal challenges ahead of us need to be addressed globally, but action has to be taken locally;

36. Recalls that cities and regions assure the connection between the UN Sustainable Development Goals (SDG's) and citizens by replying to their call for action through the tools put at their disposal by the EU; the 17 SDGs will not be reached without engagement and coordination with local and regional governments. To this end, all instruments aiming at supporting decentralised cooperation, policy coherence and the territorial approach should be fully exploited as they mobilise the potential of LRAs and of civil society to promote partnership and synergies between all levels of governance;

(b) Promoting economic, social and territorial cohesion for the citizens

37. Stresses that tackling the persistent economic, social and territorial disparities remains a major challenge for the future of the EU;

38. Recalls that social, economic and territorial cohesion are objectives of the EU Treaty and their achievement requires addressing both structural and new challenges, promoting resilient societies and economies and a framework to harness globalisation;

39. Highlights the seventh report on economic, social and territorial cohesion, 'My Region, My Europe, Our Future' which 'shows how much cohesion policy is vital to Europe, its citizens, its economy and its cities and regions and that reconciling sustainable economic growth with social progress, as cohesion policy is helping to do, is as essential as ever' ⁽¹⁾;

40. Calls for a strong cohesion policy beyond 2020 for all regions, based on the principle of European partnerships, shared management and multi-level governance as requested by the #CohesionAlliance Declaration;

41. Regrets that only a minority of citizens are aware of the positive effects of cohesion policy. Calls therefore for concerted efforts of all levels of governance to make the effects of different elements of the EU's policies and funds better known;

42. Highlights that the EU urban agenda helps to tackle issues ranging from urban mobility to air quality, from circular economy to inclusion of migrants and refugees. Further emphasises the importance of urban-rural partnerships to tackle these issues more effectively. It also supports cities and regions to develop place-based innovation ecosystems and to implement smart specialisation strategies;

43. Underlines that Services of General Interest (SGIs) and Services of General Economic Interest (SGEIs) are an integral part of the European social model and social market economy, ensuring that everyone has the right and possibility to access essential goods and high-quality public services; advocates widening the concept of SGEI to new social services, such as reception and integration of refugees and migrants, social housing, minimum income or digital infrastructure;

44. Calls for more European partnerships between municipalities, cities and regions, including through twinnings, to operate as global forerunners in order to implement best practices in tackling societal challenges and latest scientific knowledge;

(c) Answering migration and ensuring integration

45. Points out that in the perception of Europe's citizens, the challenge of migration is one of the touchstones of how 'solidarity' is put into practice but that a common understanding of what solidarity means in this context still needs to be built; stresses the key role that local and regional authorities have to play in facilitating the reception and integration of migrants and in organising an open, rationale and humane debate about these sensitive questions;

⁽¹⁾ European Commission, Directorate-General for Regional and Urban Policy, Seventh report on economic, social and territorial cohesion: My Region, My Europe, Our Future, September 2017.

46. Insists that municipalities, cities and regions must be supported in their roles in both crisis management and long-term integration. The EU needs to provide a coherent policy framework for migration, as well as sufficient targeted financial and technical support in addition to the Member States, to facilitate the integration of migrants at the local level;

47. Underlines that integration policies for migrants must be developed in partnership between all levels of governance and supported also by appropriate financial instruments from the EU level as part of a comprehensive EU migration policy. In order to guarantee the highest chances of successful integration in the interest of both the migrants and the host society, several factors such as the migrants' professional and language skills, existing family ties, their preferences and possible pre-arrival contacts with a host country should be taken into consideration;

48. Notes that an effective and humane management of the EU's external borders and the development of a comprehensive migration policy and a common EU asylum system with common high standards are essential for all municipalities, cities and regions, in particular those hosting refugees and those situated at borders particularly affected by migratory peaks; stresses also that such a policy must comprise a coordinated approach to humanitarian protection, new paths for regular migration including circular migration schemes as well as efforts to combat the causes of migration and fighting human trafficking in all its forms, particularly the trafficking of women and children for sexual purposes and that this requires both new political commitment at all levels, and the appropriate means;

(d) Ensuring social rights and access to education and promoting cultural heritage

49. Highlights that citizens strongly feel the need for the EU's social dimension to be developed throughout all EU policies and programmes, in complementarity to the existing national or regional gender equality and social protection schemes. Articles 8 and 9 TFEU provide a basis for that and should therefore be properly enforced. The CoR also supports the implementation of the social pillar regarding which LRAs should play a fundamental role and calls for a Social Progress Protocol to be included into the EU Treaties; aims at putting social rights on a par with economic rights; welcomes the fact that the Social Pillar has been included in the European Semester. The CoR supports the idea of a social scoreboard in the European Semester and is also of the opinion that social targets of a binding nature must be brought into EU primary legislation;

50. Insists that social investment should not be seen purely as a burden on the public purse. Financing social policies and protecting social rights, as identified at the Gothenburg Summit in November 2017, has a clear European added value which is fundamental in rebuilding citizens' trust in the integration process;

51. Underlines the key importance of helping citizens to access local and fair labour markets to eradicate unemployment, with special measures to help those groups most affected by it; seeks to draw up a plan for social targets to be included in a forward-looking social policy action programme, containing specific measures and concrete legislative follow-up investing in people, skills, knowledge, social protection and inclusion;

52. Calls for an EU that is fully committed to promoting equality between women and men and, in particular, to the prevention and elimination of violence against women, which is a universal, structural and multidimensional problem that generates incalculable personal, social and economic costs;

53. Insists that it is essential to invest in young people and calls on the EU to support LRAs in addressing the needs in the area of skills and education; calls for a new 'alliance for skills and education' with the objective of boosting public investment in education, promoting mobility (Erasmus+), fostering interregional cooperation in particular in cross-border areas and encouraging people-to-people exchanges not just in a professional context, but also in the cultural sphere;

54. In keeping with the principles of subsidiarity and proportionality, calls for regional governments to be involved in managing instruments such as the European Social Fund and the funds to support the application of the Youth Guarantee, as it is often at regional level that active employment policies, including social innovation and equality policies, are implemented;

55. Emphasises that in the field of education, it would be beneficial for school curricula to include the various elements which we share as Europeans, in different areas such as history, culture, heritage and even the European integration project itself. In any case, it furthermore highlights the importance of the work usually undertaken by local and regional authorities to make the European project known among school students;

56. Recalls that cultural heritage in its diverse forms is a major asset for Europe: it is a resource with the potential to become a key lever for more cohesive and sustainable regions in the EU that can help strengthen identity in a region as well as in Europe as a whole, and particularly embodies the EU's motto of 'united in diversity';

57. Stresses that tourism and creative industries can transform the regions' cultural heritage into an opportunity for job-creation and economic spill-over, including through innovation and smart specialisation strategies.

58. Underlines that the European Union must champion and enhance the linguistic and cultural diversity to which it is home, foster knowledge of it, and promote innovation and interregional cooperation in all cultural fields, as well as new business models in the cultural and creative industries;

(e) Boosting research, innovation and digital transformation

59. Considers that European funding programmes based on research, innovation, exchange, partnership and mobility that are provided in smart cities can enable better services for citizens thus improving their quality of life, and stresses that cohesion and the common agricultural policies can be vibrant and forward-looking also through Research and Innovation;

60. Calls for increasing the scale of innovation in the public sector and in businesses, including by the help of initiatives like 'Science meets regions', bringing together politicians and scientists to discuss evidence-informed decision-making, allowing Europeans to co-create their future;

61. Highlights that digital transformation and e-governance support local public administrations. Citizens and business communities appreciate the European added value of such investments often as part of cross-border or interregional cooperation (including broadband for all), because they strengthen the resilience of the local economy and help in improving the quality of life at local and regional level;

62. Highlights that cities are places — both physical and digital — where people can meet, encounter new ideas, explore new possibilities, design the future in an innovative way, learn about how society is changing and what the implications are for citizens. Cities can therefore accelerate the process of local communities becoming digitally connected throughout Europe;

63. Therefore recalls that digital transformation represents a new instrument for cohesion and an effective tool for tackling demographic challenges: remote and rural areas, and the outermost regions, need to remain connected and transform their natural disadvantages into assets in line with the principle of territorial cohesion. Innovation hubs, living labs, fab-labs, design studios, libraries, incubators, innovation camps supported by the EU and local actors boost local economy and facilitate stakeholders' accession to digital technologies;

(f) Supporting the development of rural areas, securing the Common Agricultural Policy and promoting local production

64. Recalls that rural and intermediate areas account for 91 % of the EU's territory and are home to 60 % of its population, and recalls that there is a significant development lag between urban and rural areas, where a sense of abandonment translates into growing Euroscepticism; therefore it considers that both the Common Agriculture Policy and Cohesion Policy need to continue to act as solidarity-based instruments to promote renewal in sustainable and innovative agriculture and rural development and it stresses that rural areas should be taken into account in all EU policies;

65. Interregional cooperation can be a key ingredient in optimising smart specialisation strategies, by generating synergies and maximising the performance of the global innovation drive;

66. Emphasises that the way we produce and consume food has a tremendous local and global impact not only on the citizens' well-being, environment, biodiversity and climate, but also on our health and economy; calls for the development and promotion of local markets and short food chains as food systems with a specific local dimension and urges that high-quality European production be promoted;

67. Considers the cuts in the second pillar of the CAP to be disproportionate and is concerned that this measure could be to the detriment of rural areas and the European Commission's goal of strengthening environmental and nature protection, as well as the EU's climate and resource protection objectives;

(g) Sustainability, environmental protection and the fight against climate change

68. Points out that citizens expect global and local action to fight climate change and promote energy efficiency. Sustainability should therefore be mainstreamed in all EU policies with particular regard to the reduction of greenhouse gas emissions, energy efficiency, cleaner mobility, renewable energy generation and through carbon sinks and sustainable production and consumption. The CoR calls on the EU to provide a sound legal and political framework, within which regions and cities can develop their own initiatives to promote the achievement of the Paris targets;

69. Recalls that the Global Covenant of Mayors for Climate and Energy and bottom-up implementation initiatives play a crucial role in achieving the objectives of the Paris Agreement, and calls on the EU to support the development of locally determined contributions to CO₂ reduction; sustainability and environmental protection in line with the UN Sustainable Development Goals and the EU's other international commitments should be therefore mainstreamed in all EU policies;

70. Underlines the need for greater synergies between networks, projects and agreements aimed at addressing climate change and those dealing with disaster resilience, such as the Sendai Framework;

(h) Cooperation beyond the EU to support stability and development

71. Recalls that the role played by LRAs in the cross-border cooperation and city-diplomacy activities beyond the EU, in particular in the enlargement process and the EU's neighbourhood, is crucial to promote grass-root democracy, sustainable development and stability;

72. Recalls that local authorities have a major role ensuring the security of citizens by preventing violent radicalisation and protecting public spaces; considering the cross-border and transnational nature of crime and terrorism, citizens and LRAs are facing the need for cooperation and will benefit from the added value of the EU action for joint projects;

73. Recalls the CoR's position that any proposal for trade liberalisation agreements must be preceded by a territorial impact assessment. Also reiterates that mechanisms at the national and local levels should be put in place to access relevant information on trade policy. Moreover, trade negotiations should be accompanied by a formal and participative dialogue between the responsible national authorities and local and regional authorities. This is crucial in particular where trade negotiations also cover areas of shared competences with Member States as in these cases, competences of the local and regional level are most often affected;

Ensuring the necessary room to manoeuvre for cities and regions: a European post 2020 budget that meets ambitions and uses flexibilities to act and invest

74. Highlights that the Multiannual Financial Framework (MFF) must reflect the priorities and ambitions of the EU to meet its Treaty obligation and the expectations of its citizens; defends an MFF representing 1,3 % of the EU-27 Gross National Income (GNI);

75. Underlines that the EU budget should not be understood as a trade-off between net-payers and net-receivers, but as a joint tool to achieve our common objectives by providing added value throughout Europe. Therefore supports the findings of the Commission that we are all beneficiaries of the MFF because whereby the positive effects of a common market, security and cohesion outweigh the individual financial contribution to the EU;

76. Stresses that the future of the EU is dependent on an ambitious and efficient EU budget following the principle that additional tasks for the EU should also go hand in hand with additional resources and the phasing out of the rebates on national contributions;

77. Stresses that any recentralisation of the European budget, particularly through undermining shared management programmes and place-based approaches, could jeopardise cohesion in the Union and must be avoided;

78. Recalls that public service quality is a key determinant of trust in institutions as citizens assess governments from the perspective of their experience of service delivery and, taking into account that more than one third of all public expenditure and more than half of public investment is carried out at the sub-national level, stresses that the level of public investment in the EU remains too low to provide the right public infrastructure and services. Closing the public investment gap is therefore crucial;

79. Points out the need, 10 years after the financial crisis which has greatly damaged the public investment of local and regional authorities, to strengthen their investment capacity by providing them with the necessary fiscal space needed to support public investments, promoting local solutions by strengthening the principles of shared management based on partnership and multi-level governance and by excluding public co-financing of EU programmes from the debt calculations in the context of the Stability and Growth Pact;

Building our union from the bottom up: the way forward for an EU democratic revival is possible through a grassroots engagement

(a) Empowering EU action: the right action must be taken at the right level

80. Firmly believes that the proper application of the principles of subsidiarity and proportionality is of utmost importance in bringing the European Union closer to its citizens; recalls the importance of decisions being taken as close to citizens as possible and stresses the need for a fully accountable and transparent system of decision-making in the EU where citizens are able to recognise clearly who is politically responsible and accountable for the decisions taken⁽¹²⁾;

81. Emphasises that the shared responsibility and the close link between the principles of multi-level governance and subsidiarity are crucial elements of a genuinely democratic European Union;

82. Highlights that consistent application of the subsidiarity principle must in future be the EU's safeguard. This means 'more Europe where more is needed' and 'less Europe where less is needed', which will lead towards a more efficient and performing European Union. The mere logic of protecting Member States' interests against EU interference is counterproductive when discussing the future of Europe; is aware of its own role as one of the 'guardians' of the subsidiarity principle and considers that the subsidiarity principle should be seen as a dynamic political and legal concept in policy making and policy implementation, with the purpose of ensuring that the most appropriate levels take the right action at the right time and in the best interests of the citizens; is reassured in these convictions by the final report of the Task Force on Subsidiarity and Proportionality which stresses a new 'active subsidiarity' understanding; will seek to implement the Task Force recommendations in close cooperation with the other EU institutions, national parliaments and local and regional authorities across the Union;

83. Reiterates its call to codify and implement the principles of multilevel governance and partnership in an inter-institutional Code of Conduct, and for them to be reflected in the Inter-Institutional agreement on Better Law Making. Beyond cohesion policy, multilevel governance shall be incorporated into all legislative and regulatory provisions of policies which have a regional impact⁽¹³⁾;

⁽¹²⁾ CoR Resolution on the European Commission White Paper on the Future of Europe — Reflections and scenarios for the EU27 by 2025 (2017/C 306/01).

⁽¹³⁾ CoR Opinion on the Reflection Paper on the future of EU finances, COR-2017-03718, Rapporteur Marek Woźniak.

84. Deems it crucial to counteract any shifts towards centralisation, and to support the development of appropriate, place-based and effective solutions on the ground, notably in the future cohesion policy, serving as a model for governance also in other policy areas;

85. Recommends developing further the existing Territorial Impact Assessments (TIAs) in order to create effective feedback loops that take into account the diversity of EU regions and the very different repercussions of EU policies on different LRAs;

(b) Involving regions and cities: renewing European democracy through ownership and effectiveness

86. Stresses that the EU policies need to give people a proactive place in addressing the issues that are important to their lives. People seek solutions at the local level, better engagement in defining problems and help to deal with them. This people-centred, citizens-driven approach can solve many local challenges and demonstrate how the EU is relevant to citizens; it also means focusing the EU policy on strengthening the role of cities and regions with citizens' engagement through public-private-people partnerships;

87. Underlines that LRAs bring an added value to EU policies acting as laboratories to develop and implement new forms of societal innovations, solidarity and inclusive policies that citizens are expecting from the European Union;

88. Notes that this also means that not all citizens' problems can be solved through detailed rules in EU legislation. The principle of subsidiarity is not just about whether it is legally possible for the EU to legislate, but also whether the solutions make sense for citizens. If people think that the EU comes up with solutions that are meaningless in their daily life, it will only create greater resistance against the EU;

89. Is convinced that the EU's institutional system will have to continue to evolve and to be adapted to new challenges in the interest of achieving inclusive, transparent, democratic and effective decision-making; underlines that the role of local and regional authorities as represented by the CoR needs to be more fully recognised, both in the day-to-day running of EU affairs and in future adjustments to the EU Treaties where the CoR should be represented with full rights in any future Convention;

90. Strongly believes that the local and regional dimension needs be acknowledged in the European Semester and that LRAs therefore should be involved from the beginning of the preparation of the Annual Growth Survey, in the drafting of the Country Reports and in the National Reform Programs; is convinced that to this end, the macroeconomic imbalance procedure (MIP) scoreboard should be enriched with regional indicators that will help promote and sustain the regional dimension of the EU Semester process;

91. Considers that the democratic legitimacy of the EU and in particular of Economic and Monetary Union (EMU) needs to be strengthened with the principles of social progress and equality of opportunity being at the heart of EU decision making so that employment and social standards are not being treated as peripheral to the macroeconomic adjustment process;

92. Considers that a better involvement of regions and of regional parliaments in the EU decision-making process could enhance democratic control and accountability;

(c) Facilitating the citizens' participation in EU policies and co-creating a permanent dialogue with people beyond 2019

93. Recalls also that the EU will gain in trust and credibility only if and when it delivers and if citizens receive clearer explanations of the European added value and the rationale and necessary compromises at the basis of EU decisions. In this sense, the CoR demands much greater efforts in the area of supporting multi-lingual, European media and information formats including easy to understand narratives, the development and deployment of European civic education modules for different levels of education as well as substantial increases in support for people-to-people meetings across European borders (exchange schemes at educational and vocational level, twinning programmes etc.);

94. Stresses that participative instruments such as the European Citizens' Initiative (ECI) ⁽¹⁴⁾ should be strengthened; as a complementary tool to the existing structures of representative democracy at EU level, and to innovative additional elements of participative decision making and permanent dialogue, ECIs can help to mobilise citizens around a common cause, highlight the European dimension of key political issues and foster the creation of pan-European debates and corresponding public opinion;

95. Calls on the CoR Members to continue engaging with citizens and listening to them through local events, town hall meetings and citizens dialogues in order to reach every region in the EU 27 and asks the other institutions to join forces; highlights in this context the aim to organise citizens' dialogues in all EU regions by the European elections in 2019 and encourages its members to organise dedicated sessions of their local or regional assemblies together with local citizens and their associations, in order to gather input to the questions on the future of Europe identified in the CoR's own, as well as the European Commission's questionnaire; stresses the crucial importance of decentralised communication on EU policies and the political choices underpinning them and the need for the EU institutions to support local and regional efforts and initiatives in this direction;

96. Highlights that citizens' consultation should also reach out to those citizens who are often ignored or are not interested in consultative processes; it is important to ensure a genuinely inclusive and representative dialogue with citizens to avoid that the debate is monopolised by those who are most mobilised already in favour or against the EU or a particular political issue;

97. Stresses that communication and permanent dialogue with citizens are vital in every political system and therefore essential to increase the democratic legitimacy of the EU and to bring Europe closer to its people;

98. Recalls in this context that engaging citizens must not be limited to the periods leading up to the European elections;

99. Commits to propose ahead of the European elections 2019 a methodology for a permanent and structured system of dialogue between citizens, EU politicians and institutions, involving local and regional authorities through the CoR and based on a transparent process of seeking citizens' input, providing them with the space and information to identify and debate the issues of greatest concern to them, feeding the results into EU policy making and giving proper feedback on the impact of the citizens' contributions;

100. Is convinced that by giving feedback to the citizens, the political work of the CoR members can strengthen the links with the grassroots and reinforce the trust of people in 'EU politics'.

Brussels, 9 October 2018.

The President
of the European Committee of the Regions
Karl-Heinz LAMBERTZ

⁽¹⁴⁾ CoR Opinion on the Regulation on European Citizens' Initiative, COR-2017-04989, Rapporteur Luc Van den Brande.