

Economist conference “Governance and regional arteries for growth: Europe’s momentum – Greece’s impetus” - Loutraki, Greece, 10-11 May 2018

## **Speech by Gudrun Mosler Törnström, President of the Congress of Local and Regional Authorities of the Council of Europe**

**Panel: Regional governments and national governments: competitors or partners?**

**Loutraki, Greece, 11 May 2018**

Ladies and gentlemen,

I am delighted to be here today. Let me begin by telling you who I am and what this Congress is that I represent. It is possible that some of you have not come across either the Congress or the Council of Europe. The Congress is one of the political organs of the Council of Europe and functions – within the Council of Europe framework - as the voice of local and regional authorities in Europe.

The Council of Europe is an intergovernmental organization set up at the end of the Second World War to promote human rights, democracy and the rule of law among its members. It is older than the European Union and has always had a wider membership. Currently we have 47 member states and Greece, like Turkey, has been a member since 1949, the first year of our existence.

The Congress of Local and Regional Authorities is a political assembly composed of two chambers, the Chamber of Local Authorities and the Chamber of Regions – of which I was the President before I became the President of the Congress.

Let's be clear what we mean when we talk about regions, regional governance and regional democracy. For us, the region is a sub-national entity, the first tier of government below the national government. While other people talk about regions as groups of national states, such as Euroregions, or the “Euro-region” of states which use the Euro as their currency, or again the Western Balkans, for us the region is a subnational unit. So today we are in the Peloponnese region – and discussing the special identity of that region, its role, its special resources and its relationships with other governments both inside and outside of Greece.

Much of our work in the Congress is focused on some key legal texts, such as the European Charter of Local Self-Government – an international treaty ratified by all 47 Council of Europe states, which was the first international legal instrument to protect the principles of local government. It sets out some key principles for the functioning of local democracy, which our member states have agreed to respect and apply. A lot of our work is devoted to ensuring that national governments to this – by activities that we refer to as our monitoring activities.

We also have an important text called the “Council of Europe Reference Framework for Regional Democracy” – which is not a treaty as such – but still a text that our national governments have agreed to apply – and which looks at the specific issues of regional democracy and regional governance.

National governments often take the attitude that all power and all decision-making resides with them and that it has always been this way and always will be. Meeting here today, in Southern Greece, we can recall that democracy was not always the system of nation-states that we have today. It grew out of a system of city states. Our regions have roots and identities that go back much further than the nation states that they now belong to.

We need to understand and grasp this fact if we are to make the most of our regions, and to enable them play a full role in the development of our territories. Our regions are real actors, each with its special history and identity. They are not artificial creations.

In recent years we have seen some dramatic developments in the role of regions is changing. We recently produced a report charting the trends and prospects of inter-regional cooperation in Europe<sup>1</sup>, proposing some initiatives for deepening bilateral and multilateral cooperation between regions.

When we look at the 47 member states that make up the Council of Europe, many of them are quite small, too small in fact, to consider introducing a regional level of government. At the other end of the scale, we have what are known as the “Four motors of Europe” (Auvergne-Rhône-Alpes of France, Baden-Württemberg of Germany, Catalonia of Spain and Lombardy of Italy). Each of these regions has an economy that, if we measured it against our 47 member states, would put it in the top 15 European economies.

These regions are increasingly using their power – which we sometimes refer to as soft power – to conduct international diplomacy of their own, setting up their own embassies, developing their own cooperation programmes. National governments of smaller states often come to their door seeking new cooperation agreements.

This is not just a European phenomenon. If we look at some of the States in USA, such as California, we see the same phenomenon, and also to some extent in countries such as China and India. The world is changing, whether we like it or not, and powerful regions are part of the new pattern and will be part of the future.

At the same time, we have the growing phenomenon of regional nationalism. What is happening in Catalonia, and with the recent referendum in Scotland, is a healthy reminder that our regional boundaries – which are often relatively recent – are not set in stone – and might one day change again. Our world is in a state of constant change. The challenge for us is to ensure that the core principles of democracy and peaceful existence are respected and developed – and that when change comes, it does so according to the will of the people and with the maximum of political dialogue.

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<sup>1</sup> 'Inter-regional cooperation in Europe : trends and prospects. 2014, Rapporteur: Stewart DICKSON

A few years ago we produced another key report on regions with special status<sup>2</sup>. What we have in Europe, which is surely unique and a source of strength, is a huge variety of constitutional arrangements.

Within our national states, we have many cases of asymmetric regional government, which are formed by historical factors and bring about collective representations and identities created on specific portions of the space – sometimes these are islands, sometimes regions with special histories and identities, such as Vojvodina in Serbia. They remind us that there is no “one size fits all”, when it comes to regional government structures.

We maintain that the solution to many of today’s regional conflicts lies in finding an appropriate constitutional arrangement that takes into account the specific context, history and identity of the region. We have many good examples of such “special status” regions in our member states and we are ready to work with any government to share this expertise and experience in addressing current regional tensions. The answer lies in dialogue and negotiation, never in violence.

Let me make a special plea for “regions with legislative powers” – as we have in my country Austria. In the Congress, we promote the principle of subsidiarity and are convinced of the benefits of giving the local population the maximum say in how they manage their public affairs.

One way to do this is to increase their powers and responsibilities, powers to raise their own taxes, ensuring that they have the resources to match their competences. Another way to achieve greater subsidiarity is to increase the powers of regions to introduce local or regional legislation, to meet the specific needs of their territories. When it comes to promoting the general welfare and development of our regions and their citizens, legislative powers can serve as a powerful and effective weapon.

So, when we come to looking at the relations between national and regional authorities, what lessons can we draw from our experience? First, a message to our national authorities: the division of powers between national and regional authorities works best when it takes account of the specific identity and needs of each region.

The diversity of our local and regional authorities is a fact of life and also something to be celebrated. Our democratic institutions need to respond and adapt to that diversity rather than seek 'one size fits all' solutions.

Regions can and should be our strategic partners, the key to the development of our societies, for our social, economic and cultural future. A certain degree of regional autonomy is an effective way to bring power and the citizen closer together. The strengthening and deepening of our regional democracy is a crucial element in the development of our territories as a whole. It requires mutual respect as well as dialogue and consultation between all levels of government.

Appropriate and effective institutions are essential if we are to develop our cities and regions for

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<sup>2</sup> “Regions and territories with special status in Europe”, 2013. Rapporteur: Bruno MARZIANO

the benefit of our citizens. A clear definition of delegated powers, with resources to match and effective mechanisms for each level of government to consult each other and to develop a real dialogue are key conditions for our regional governance structures.

Effective citizen participation in the decision-making process at all the levels of governance will also enhance its credibility and ensure that policies are tailored to people's needs.

We need to continue to explore new strategies to maintain effective and legitimate democracy at all levels of governance. We need to pursue a system of territorial democracy that is modern, open, and active at all levels. If we are to achieve sustainable development and the welfare of our populations, mutually supportive and participatory regional democracy should be our priority.

We need to learn, to recognize and value the distinctive role that each of us and each level of government has to play. We need to work as a team, knitted together and embracing all the diverse of our societies. Together we can and will move forward, not as competitors, but as partners.

Thank you.