

# THE CONGRESS OF LOCAL AND REGIONAL AUTHORITIES

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## Resolution 283 (2009)<sup>1</sup>

### **Good governance: a key factor for the sustainable economic development of regions**

1. Regions in Europe are subject to profound transformations as a consequence of globalisation. They face growing economic challenges while also having to adapt to demographic trends, improve their energy efficiency and combat climate change. Finding their place in the globalised world depends largely on their creativity, their capacity to innovate and their ability to promote co-operation.

2. With regard to territorial and social cohesion, special attention needs to be paid to the development of more vulnerable zones, whether they are isolated, small or sparsely populated, as well as to the interaction between urban and rural areas. It is important that regional authorities are able to participate in the global economy and take advantage of the opportunities it can offer. Indeed, they have an important role to play in promoting entrepreneurship and improving the environment within which enterprises operate.

3. The Congress of Local and Regional Authorities of the Council of Europe is convinced that good governance at regional level can facilitate the response to these challenges and combat regional disparities. Through its emphasis on citizen participation and access to information, on the one hand, and ethical conduct, on the other, good governance offers a tangible contribution to the consolidation of economic and political processes and the reinforcement of institutional capacity.

4. The regional level of governance, situated between citizens and the global market, is particularly well-placed to promote sustainable economic strategies. Indeed, regions are large enough to have the requisite critical mass for economic innovation. Close to citizens, they are able to take their concerns into account. This reality is reflected in territorial authorities' increased responsibilities for the economic development of their locality and in their willingness to enter into dialogue with businesses and involve the various stakeholders in consultations on their region's future.

5. Regions need to provide clear leadership and encourage a shared vision for their long-term regional prospects as defined by all stakeholders. Indeed, it is important to involve citizens in the elaboration of sustainable policies in order to strengthen their commitment to the locality and create a climate of confidence.

6. Sustainable regional economic development also requires public authorities to compensate for the limitations of the market economy through policies which assure social equity

and territorial cohesion. These dimensions need to be included in development policies from the start and should not be addressed in a fragmented way.

7. Regional economic success depends as much on intangible assets, such as confidence and dialogue, as on tangible ones, such as financial capital. Competitive, dynamic regions are able to build on their strengths and find their own unique solutions in order to reinforce their attractiveness. The strategies chosen depend on the specificities of each region, its geography and its own dynamics.

8. In this respect, it is the responsibility of regions to attract and retain the businesses, industries and skilled human capital needed for economic and social growth. It is also essential for their attractiveness that they promote policies which strengthen cultural and regional identities and which inspire people to want to live and work there, now and in the future.

9. The quality of a region's workforce, particularly its level of skills and training, is a decisive factor in regional success. For a region to flourish it needs to promote and support high standards of education, training, research and development.

10. Furthermore, good regional governance should prioritise the development of infrastructures, particularly transportation and telecommunications, as they are crucial to territorial sustainability. Moreover, the provision of quality and accessible public services and the nurturing of natural and cultural assets are key to a region's attractiveness.

11. The Congress notes that, in a context of strong regional competitiveness, networks, partnerships and transfrontier co-operation are the cornerstone of good regional governance. They offer a way to co-ordinate policies of mutual interest, improve the efficiency of services and reduce economic, environmental, social and cultural tensions. In this respect, it recalls the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities (ETS No. 106) which is a tool to facilitate these transnational networks.

12. Regional policies should boost innovation and promote the development of clusters and centres of knowledge. Bringing together public, private, educational and research bodies can strengthen reciprocity and reinforce the relationship between enterprises and their vicinities.

13. If territorial authorities are to promote regional dynamism and anticipate the requirements of the economic sector and civil society, they also need to support those responsible for development, particularly through appropriate and simplified administrative and regulatory procedures.

14. Finally, the Congress welcomes the adoption by its assembly in May 2008 of the European Charter of Regional Democracy. This new charter is the first instrument to lay down the tenets of a robust regional democracy. It extends the scope of the European Charter of Local Self-Government (ETS No. 122) and offers a very useful policy instrument for democratic stability, for sound application of the principle of subsidiarity and for stronger good governance practices, all of which are today indispensable for a healthy democracy.

15. *In the light of the above, the Congress invites the regional authorities of the member states of the Council of Europe to:*

- a. exert pressure on their respective governments to ensure that the European Charter of Regional Democracy is adopted by the Committee of Ministers of the Council of Europe;
- b. provide a framework for the elaboration, at regional level, of integrated economic development strategies and to:
  - i. take full account of environmental, economic, social and cultural public policies and guarantee territorial and social cohesion, in particular through the provision of equitable public services;
  - ii. elaborate long-term objectives for the region which take into account the needs of economic players and offer a vision shared by all other local stakeholders;
  - iii. reinforce regional attractiveness and emphasise regional identities, cultures and natural assets in order to make the most of endogenous potential and unique features;
  - iv. encourage investment in infrastructures, essential for the mobility of ideas, people and goods, in parallel to investment in research and development;
  - v. consolidate transparent administrative procedures and economic mechanisms and remove obstacles which deter innovation and development;

c. support sustainable regional economic development through financial support in the form of grants, loans, guarantees and venture capital and, on the one hand, by underwriting guarantees of appropriate financial mechanisms and, on the other, through the provision of non-financial services such as development agencies, information provision and advice, technology transfer agencies, technological watch and economic intelligence schemes and training;

d. promote regional synergies which bring together the different stakeholders to create regions of knowledge and competitive clusters and develop, in parallel, local economic structures to support this process (enterprise centres, incubators, industrial parks, science and technology parks and one-stop shops, etc.);

e. develop transregional and inter-regional forms of co-operation which go beyond administrative, social and cultural borders.

16. The Congress of Local and Regional Authorities of the Council of Europe may decide to organise an event dedicated to the links between local and regional development and good governance, with particular focus on a better analysis of the interaction between urban and rural areas.

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1. Debated and approved by the Chamber of Regions on 4 March 2009 and adopted by the Congress on 5 March 2009, 3rd Sitting (see Document CPR(16)3REP, explanatory memorandum, rapporteur: U. Aldegren (Sweden, R, SOC)).