

CONGRESS OF LOCAL AND REGIONAL AUTHORITIES OF EUROPE

Resolution 86 (1999)¹ on regional economic partnership – a factor for social cohesion in Europe

(Extract from the Official Gazette of the Council of Europe – June 1999)

The Congress,

Bearing in mind the proposal of the Chamber of Regions,

1. Referring to the report presented by Mr Suaud on “The Regional Economic Partnership, Factor of Social Cohesion in Europe”;
2. Welcoming the success of the 5th Economic Forum of the Regions of Europe, co-organised by the Congress, the Town of Bucharest and the Foundation for Economy and Sustainable Development of the Regions of Europe (FEDRE);
3. Fully supporting the Final Declaration of this meeting and, in particular the need to reinforce the competencies of the Regions at the political, cultural and socio-economic level;
4. Recalling that the main aim of the Forums is to offer the political and economic representatives of the Regions of Europe a platform for dialogue, exchange of information and experiences, co-operation and partnership in the field of economic and regional development;
5. Noting that interregional co-operation has received new impetus through the holding of the 5th Forum, in Bucharest (2-4 July 1998), where the different aspects were discussed in detail of investment and regional and local development policies at pan-European level;
6. Emphasising that transfrontier co-operation is an essential element in interregional co-operation, aiming at improving the socio-economic, cultural and ecological situation of populations living close to borders;

I. Asks regional authorities :

- a.* to send the results of the Forum to the competent bodies so that they may draw maximum benefit from the contacts established with their partners at pan-European level;
- b.* to respond positively to requests for assistance and partnership ensuing from the work of the Forum, favouring, in particular, requests from Balkan countries;

1. Debated and approved by the Chamber of Regions on 16 June 1999 and adopted by the Standing Committee of the Congress on 17 June 1999 (see Doc. CPR (6) 5, draft resolution presented by Mr B. Suaud, Rapporteur).

c. to organise, for their part, following the example of the Chamber of Regions, more targeted socio-economic meetings of experts and persons responsible for regional development at bi- and multilateral levels;

d. to create, if appropriate, within the regional administration, specialised services for the promotion of regional economy and social cohesion;

II. *Recommends to the Bureau of the Chamber of Regions to ask the Working Group “Social Cohesion and the Economic Development of Regions” :*

- a.* to organise urgently an extraordinary forum or conference with a view to determining an action plan and detailed assistance programme to help the regions of the countries neighbouring Kosovo particularly affected by the crisis and, in particular, the regions receiving refugees;
- b.* to check that the programme of the future Forums schedules a working session or a Colloquy/Round Table exclusively devoted to the political and judicial aspects of regionalisation in the host country;
- c.* to follow closely the results of the 6th Forum, which will be held in Weimar, in order to inform the Chamber of Regions in due course;
- d.* to make an evaluation of the results of the six Economic Forums of the Regions of Europe, held since 1996, with a view to analysing their impact both in the regions of the host country and in the participating regions;
- e.* to present the results of this evaluation to the Standing Committee of the Chamber of Regions, allowing the latter to define the future orientations of this programme of activity.

Appendix

Final declaration adopted on 4 July 1998 5th Economic Forum of the Regions of Europe Bucharest (Romania), 2-4 July 1998

Regional economic partnership – a factor for social cohesion in Europe

1. The participants at the 5th Economic Forum of the Regions of Europe, representatives of the local and regional authorities of the Council of Europe, Ministers, senior officials, representatives of international organisations and leading figures from the world of business, government and politics, wish to thank the authorities of the City of Bucharest, the Congress of Local and Regional Authorities of Europe and the Foundation for the Economy and Sustainable Development of the Regions of Europe for organising this Forum in the Romanian capital from 2 to 4 July 1998.
2. They recall that the Forum’s main objective is to offer political and business representatives from the regions of Europe a platform for contact and dialogue, exchanges of information and experience and co-operation and partnership in the field of economic and regional development, carrying on from the meetings already held in Geneva (January 1996), Dortmund (June 1996), Moscow (November 1996) and Vienna (September 1997).

3. It can be said that interregional co-operation has been given new momentum by the holding of the 5th Forum in Bucharest, which provided an opportunity for detailed discussion of the various aspects of investment and local and regional development policies at pan-European level. We were able to see how the whole Romanian government has developed new initiatives to attract foreign investment, while adapting the administrative and legislative environment to the new demands of the market economy. These efforts are aimed at stabilising the democratic and administrative reforms with appropriate economic policies, the key objective of which is to promote economic and social cohesion throughout the country. These same efforts are helping to integrate Romania into the new mechanisms for European co-operation, opening up prospects for future accession to the European Union.

4. The distinctiveness of the Bucharest Forum has lain in mobilising the close co-operation between central, regional and local government representatives with a view to capitalising on the advantages and economic potential offered by all local and regional authorities in terms of attracting foreign investment and ensuring that it is spread out fairly throughout the country.

5. The recent adoption by the Chamber of Deputies of the legislation on regional development policy was a major step in this direction and represents an interesting experience and an important step towards genuine regionalisation.

6. Nevertheless, it has emerged from the discussions that significant problems remain with regard to transforming the country's economic fabric in order to adapt it to the demands of the market economy and the challenges of globalisation. The involvement of the business sector in the Forum's political discussions through an exhibition and partnership exchange contributed to the distinctiveness of the event and gave both the political and the business representatives new insights into European interregional co-operation.

7. Privatisation and co-operation between the public and private sectors are also areas where specific efforts are necessary. The main aim of mobilising businesses at regional level is to promote endogenous development, which demands decentralisation of powers and a policy of regionalisation. The latter also helps to slow down the rural exodus and, at the same time, the concentration of economic and industrial development in major urban areas. In this connection, economic development policies must go hand in hand with policies to protect natural resources and the environment.

8. Particular attention was paid to the development of border regions and their integration into national and transnational transport and communications networks. Their development should be planned from the angle of co-operation with bordering regions in the framework of permanent transfrontier co-operation structures.

9. If fruitful partnerships are to be developed between regions, the latter must be given real powers and appropriate means of action, a fact that has still not been fully understood, especially in central and eastern Europe.

10. Yet, in their final declaration, the Heads of State and Government of the Council of Europe, at the second Summit in Strasbourg in October 1997, recognised the fundamental role the institutions of local democracy play in maintaining stability in Europe. And, at their first Summit in 1993, the Heads of State and Government stressed the role played by transfrontier co-operation in maintaining stability in Europe.

11. We should welcome the fact that the development of transfrontier co-operation has speeded up in the last few years in central and eastern Europe, including in the Carpathian region. The Romanian authorities and their counterparts in neighbouring Hungary and Ukraine have freed up this co-operation and complied with the principles of the European Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities and the additional protocol thereto.

12. Nevertheless, if transfrontier interregional co-operation is to flourish, extensive decentralisation of powers is necessary and local and regional authorities will have to be provided with the resources needed for such co-operation, including in the economic sphere.

13. The business sector, finance ministries and international financial and economic institutions must now recognise that regionalisation is not an obstacle to economic development, but one of the means of promoting economic growth and trade based on the potential of all the regions concerned, as demonstrated by the success of the most prosperous countries, it surely being no coincidence that they are countries where considerable political and economic decentralisation has taken place.

14. Exchanges of experiences involving other central and east European countries, as well as the policies implemented in western Europe, have highlighted the need to develop and to promote policies to support the establishment of small and medium-sized firms, which are dynamic structures able to create jobs and adapt quickly to domestic and foreign competition in a free market economy. New initiatives must be taken at interregional level in this area with a view to developing the fabric of such small and medium-sized firms, which are particularly weak in most central and east European countries. This is an important factor in combating the scourge of unemployment currently affecting all countries of Europe. Local and regional authorities are feeling the consequences and are faced with the need to develop schemes to counter new poverty and social exclusion.

15. The role of regional authorities, working in particular with the business sector, is to provide training for young people and life-long training for adults so as to prepare them for working life and the career changes and retraining dictated by the modern economy. In this area too, interregional exchanges of trainers and students help to promote development.

16. Not only does sustainable development demand management of natural resources that is compatible with the long-term requirements of protection of the environment. The market economy also requires progress to be made at the same time in terms of democracy, respect for national and regional cultural identities and the implementation of measures of social justice. Failure to respect these democratic cultural and social values could lead to a crisis of neoliberalism of the type seen recently in certain countries in Asia.

17. Romania and the other countries in central and eastern Europe must work towards their own models of development that fit into the economic, cultural, social and environmental context of the region.

18. Interregional economic partnership is a modern process aimed at improving the competitiveness of regions in conjunction with – and not at the expense of – neighbouring regions in their own countries and across national frontiers.

19. Regional development and economic partnership between regions should contribute to economic expansion and thus also to social cohesion in individual countries and throughout Europe.

20. The Forum was pleased to have welcomed for the first time a representative of the Adjarian Autonomous Republic (Georgia) and a representative of the city of Podgorica, capital of the Republic of Montenegro (FRY), and

welcomes the efforts made in those two republics to move closer to Europe, which deserve also to be encouraged through interregional partnerships.

The participants :

Invited the Romanian authorities, the Congress of Local and Regional Authorities of Europe (CLRAE) and the Foundation for the Economy and Sustainable Development of the Regions of Europe (FEDRE), as appropriate, to follow up the Bucharest Forum and, in particular :

- i. to promote partnerships that involve not only economic development but also the exchanges in terms of culture, vocational training and social cohesion that underlie sustainable and balanced development ;
- ii. to set up a concept promoting partnerships between Romanian towns, regions and economic actors and their counterparts in other European countries, which would act in coordination with the CLRAE and the FEDRE ;
- iii. to organise a 6th Economic Forum of the Regions of Europe in Weimar at the invitation of the Land of Thuringia (Germany) in 1999 to consider, in particular, the role of cultural policy and regional cultural identity in economic development ;
- iv. to take stock, after an appropriate period of time, of the experience of the Romanian regional development agencies and of the progress made towards a more widespread decentralisation of competencies at regional level.