

# CONGRESS OF LOCAL AND REGIONAL AUTHORITIES OF EUROPE

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## **Recommendation 101 (2001)<sup>1</sup> on the impact of globalisation on regions**

The Congress, bearing in mind the proposal of the Chamber of Regions,

1. Noting that globalisation has become an inescapable fact of modern life affecting political, social and cultural affairs and provoking reactions at European, national and regional level;
2. Bearing in mind that increasing international trade has beneficial effects for regions which take part in it, but gives rise to ill feeling in the weakest regions;
3. Having regard to the progress made in setting up a common market and introducing the free movement of goods, capital and people in the European Union;
4. Noting that, particularly for regions with weak industrial and commercial infrastructure, the reduction of tariff barriers advocated by world financial institutions may have adverse side-effects, condemned by non-governmental organisations which are demanding that this process be made more open and democratically accountable;
5. Emphasising in particular that growth and increased profits deriving from free trade do not benefit all regions in equal measure and that this is a threat to democratic stability in Europe because it can widen the gap between the richest and the poorest sections of the population;
6. Noting that the regions have the potential to react swiftly to the challenges of globalisation by mobilising regional economic agencies and promoting the endogenous development needed to check the flight from the countryside and the exodus of skilled labour, prevent undue concentration of business and industry in major conurbations, and ensure protection of the environment and sustainable development;
7. Emphasising that border regions have the potential to stimulate transnational economic growth and find ground-breaking solutions to deal with the problems they face as peripheral regions;
8. Acknowledging the important role played by the European Union Interreg programme in developing cross-border and interregional co-operation between the countries involved;
9. Stressing that the regions' cultural identities, which are influenced by their history, traditions, people and languages as well as the inhabitants' attachment to their own region, make an important contribution to regional cohesion and help foster economic progress;
10. Considering that regional authorities are grass-roots bodies able to take account of citizen's needs and promote specific regional features which need to be preserved in the face of the present trend towards globalisation;
11. Drawing attention to the work of the Congress of Local and Regional Authorities of Europe on globalisation, particularly that carried out through its Economic Forums of the Regions of Europe, held in Geneva (18-20 January 1996), Dortmund (23-26 June 1996), Moscow (25-26 November 1996), Vienna (9-12 September 1997), Bucharest (2-4 July 1998), Weimar (3-4 May 1999) and Skopje (16-18 November 2000), which provided an opportunity for Europe's regions to pool information on economic development and share their experience in this sphere;
12. Referring to the Congress's discussions and work on globalisation on the occasion of the 1st Summit of the Presidents of European Regions with Legislative Power (Barcelona, November 2000);
13. Referring to the work of the Council of Europe's Parliamentary Assembly on globalisation, for example Recommendation 1461 (2000) on the Council of Europe's role in regional planning and Recommendation 1308 (1996) on the World Trade Organisation and social rights;
14. Having regard to the work of the European Union's Committee of the Regions on "The competitiveness of European enterprises in the face of globalisation – How it can be encouraged" (COM (98) 718 final) and its opinion of 15 February 2001 on "The structure and goals of European regional policy in the context of enlargement and globalisation: opening of the debate" (COM – 1/024);
15. Calls on the member states of the Council of Europe:
  - a. to recognise the role of the regions in devising appropriate economic policies to meet the challenges posed by these changes;
  - b. to promote the decentralisation of powers and a regionalisation policy aimed at giving regions suitable working tools and means of fostering economic development and productive partnerships with other regions enabling them to adapt rapidly to the new social and economic set-up resulting from globalisation;
  - c. to support these measures with an appropriate job creation policy, tax incentives and export aid;
  - d. to increase the powers of regions so as to enable them to take an active part in cross-border and interregional co-operation networks and hence pool experience of, and information on, the effects of increasing globalisation, and in particular to foster partnerships to promote economic co-operation, thus taking a first step towards equalisation at national level;
  - e. to devise specific policies for regions suffering from geographic or structural drawbacks, such as peripheral,

island and ultraperipheral regions, mountain regions and regions in economic transition;

*f.* to help integrate border regions into national and trans-European communication and transport networks and plan the development of these networks in such a way as to open up borders and make people more mobile, thus encouraging co-operation with neighbouring regions through permanent cross-border co-operation arrangements;

*g.* to sign and ratify, to this end, the Council of Europe's Outline Convention on Transfrontier Co-operation between Territorial Communities or Authorities (ETS No. 106) and the two additional protocols;

*h.* to devise policies, in co-operation with the regional authorities, for promoting small and medium-sized enterprises, which are Europe's main source of new jobs;

*i.* to include a regional cultural aspect in the political initiatives taken in this area to promote the regions' social and economic development;

16. Calls on the Committee of Ministers of the Council of Europe:

*a.* to take account of the impact of globalisation in activities carried out at intergovernmental level, analysing the effects on cultural, economic and social policy, particularly in relation to regional planning;

*b.* to speed up work to prepare and adopt a binding legal instrument in the form of a convention ensuring regional self-government in the member states;

*c.* to instruct the relevant working group to study the effects of globalisation on the social fabric of the Council of Europe member states;

17. Recommends that the Parliamentary Assembly:

*a.* examine the specific problems that globalisation raises for the social and economic development of Europe's regions;

*b.* give appropriate political priority to the problems of decentralisation and regionalisation in the member states and acknowledge the contribution of these trends to democratic stability and efforts to cope with the effects of globalisation;

*c.* give its political backing to the adoption of an international legal instrument aimed at enhancing regional self-government in the member states;

*d.* draw national governments' attention to the need to devise specific regional development policies to respond to the pressures resulting from globalisation;

*e.* pay particular attention to regional aspects of the effects of globalisation in the various fields dealt with by its committees, such as agricultural and rural development, cultural activities, and economic, technological and environmental policies;

18. Recommends that the European Union:

*a.* take account of the challenges of globalisation when adjusting its regional policy instruments during the enlargement process;

*b.* continue and step up support for disadvantaged regions, particularly maritime, peripheral, island and ultraperipheral regions;

*c.* provide increased funding for the Interreg programmes for this purpose;

*d.* provide appropriate co-operation arrangements for the regions of the applicant countries in the course of the enlargement process;

*e.* establish more serious dialogue with regional representatives on the major social and economic problems connected with globalisation;

19. Recommends that the European Bank for Reconstruction and Development:

*a.* take account of the challenges arising from globalisation at European, national and regional level when deciding on its support policies, and provide special assistance for economically and commercially disadvantaged regions, particularly with a view to improving infrastructure;

*b.* provide economic and financial support for countries which can provide incontrovertible evidence of progress with economic, administrative and democratic reform and show that they are securing the bases for local and regional self-government through a policy of decentralisation and regionalisation.

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1. Debated and approved by the Chamber of Regions on 30 May 2001 and adopted by the Standing Committee of the Congress on 31 May 2001 (see Doc. CPR (8) 4, rev. draft recommendation presented by Mr B. Suaud, rapporteur).