

Commissioner Danuta Hübner
Can Europe connect with the regions?
Institut Supérieur du Management Public et Politique
Brussels, 28 February 2007

Europe needs to connect not just with its regions but also with its citizens. The European Council on 7-8 March and the Declaration of Berlin on 25 March are both important in this context. The Declaration of Berlin will be an occasion to celebrate 50 years of peace, prosperity and stability in Europe, but also an opportunity to look forward to the next steps of the European project, and to lay out clearly for citizens why the Union is the answer to many of the challenges of the 21st century. The European Council will examine the Commission's Annual Progress Report on the Lisbon Growth and Jobs Agenda. One of the key messages is that the involvement of regions in the growth and jobs agenda is now a reality. 'Lisbon' has reached the regions, and the regions are key players in the modernisation of Europe's economies.

Ladies and Gentlemen,

The month of March will be an important one for the European Union. There will be two key events: the European Council on 8 and 9 March, when political leaders meet in Brussels to discuss the state of the European economy. And 24 March, when political leaders come together again in Berlin, to sign a declaration marking 50 years of European integration and looking forward to the next steps of our common European project. Indeed I hope that the good mood in Berlin will also help us to find a solution for the new Treaty. Both of these events will address issues of direct relevance for European regional policy and for the subject of my talk this evening – 'Can Europe connect with the regions?' I will talk about both events, but before doing so, I want to share four slides with you.

The figures come from the Eurobarometer survey of public opinion which was published at the end of last year. It is based on fieldwork carried out in September and October in the EU27, in the Turkish Cypriot community, and in the two candidate countries Turkey and Croatia. The first slide shows the level of support for Membership of the Union. 53% of the EU population considers that it is a good thing. For young people the figure is higher – 60% of those aged 15 to 24, and it is higher still for those aged 20 plus and still studying: 67%. It is those aged 55 plus who are least enthusiastic.

The second slide shows views on the direction in which things are going in the EU. There is less optimism than on Membership – only 33% are positive - but a similar pattern emerges. The young are more optimistic – 43% - and those who are still studying are even more so. If we turn to the third slide, support for enlargement, we see the same pattern again. The young, and those still studying, show greater support for this essential policy of the European Union. And it is those who are 55 plus, who are most reluctant.

The fourth slide looks at trust in the European Commission – one that you can imagine is of special interest to me. Here again we see that those who are studying are significantly more favourable than the average – 57% compared to 48%.

Why did I want to share these figures with you? First and foremost because it is not only essential that Europe connects with its regions. It is also essential that it connects with its citizens. The slides show that we have a significant task ahead of us. But I was very struck by the positive views of the young and of students, groups which cover many of you

here this evening. Of course any poll of this sort has to be interpreted with caution. In the Netherlands, for example, a majority of young people voted against the constitution, and the disaffection of young people with political processes in general – as reflected in voter turnout – is an issue in many countries. But at the same time, I think that the poll gives some grounds for optimism. We must ensure that these positive views are carried forward.

How then do we go about connecting with citizens and regions? Let me turn to the declaration of Berlin which will be adopted on 24 March. I hope that we will make this a meaningful event as the 50th anniversary of the Treaty of Rome is something to celebrate. In the last 50 years we have experienced unprecedented peace, prosperity and stability on much of our continent. This is an enormous achievement, and one in which the European Union has played a key role.

Yet the figures we have just seen suggest that many people do not appreciate fully the benefits of being members of the Union. So while the declaration in Berlin will celebrate the achievements of the last 50 years, I hope that it will also say what sort of Union we need – a political union with common policies in all those areas where there is clear European value added, a Union of values and of citizens, which is globally relevant, open, and efficient. I hope that it will lay out clearly for our citizens why the Union is the answer to the many challenges of the 21st Century. These challenges cannot be solved by Member States acting individually. They need a response at European level, based on the spirit of solidarity that has characterised the integration process of the last 50 years. Along these lines, we in the Commission have identified a number

of elements of direct relevance to our citizens which we believe the declaration of Berlin should address. I want to mention three of these.

First, we need to show citizens that it is through the Union that we can best equip ourselves to face the challenges of globalisation. Globalisation is not a slogan. It is a reality characterised by the combined impacts of economic and technological change on our economies, societies and cultures. This change is taking place at a speed we have never witnessed before, and we have to find the right ways to respond to and manage it. And we have to do this against a background where, even as the European Union, we are a small part of the globe, both in terms of surface and of population. And in the decades to come our relative size in terms of GDP will be shrinking as emerging competitors experience the faster rates of growth of those catching up, and in terms of population as our populations shrink. The economic and political advantages that we gain by being part of the world's largest integrated economic area are so well established that they are easily taken for granted. But we must not forget that the EU single market and our single voice in international trade negotiations are essential elements in our strategy of rising to the challenge of globalisation. Together we must ensure that we have the flexibility to adapt to the changing world around us. And being together in no way means becoming closed or protectionist. We must find ways of ensuring that the benefits of being fully integrated into the global system are more evenly spread across our economies. And we must do so by implementing policies that enhance growth and job creation, and by providing our citizens with the skills and opportunities to benefit from these changes.

A second key issue for our citizens is sustainability. Environmental protection and climate change are areas where joint action is essential. The Union was a driving force in the Kyoto negotiations, and is again setting an example for the international community with its commitment earlier this month to cut CO2 emissions by 20% by 2020. In the field of energy, it is working together as a Union that we will most effectively cope with higher prices, reduce our dependence on imports, renew our infrastructure, and push forward research into alternatives to hydrocarbons and to improving our efficiency.

The third issue is not so much a challenge – although sometimes it is - as a reminder of one of the essential ingredients of European integration: the importance of political solidarity through strengthened economic and social and territorial cohesion. This solidarity, which has been present in the Treaty of Rome from the very beginning, is at the heart of regional policy. The willingness to share the fruits of our economic integration and to help less developed regions of the Union to catch up is one of the great triumphs of European integration. The recent enlargement of the Union has increased dramatically the disparities among our regions. To express this in concrete terms let me refer to statistics published by Eurostat last week. In the EU in 2004, GDP per person ranged from 24% of the EU 27 average in the Nord Est region in Romania to 303% in Inner London. It is clear that for many years ahead, political, economic and social solidarity will be more important than ever before, even if it is only one dimension of our cohesion and regional policies.

The Declaration of Berlin therefore presents us with an opportunity to show that we have a common vision of the Union, a Union which responds to the expectations of our citizens. I want to stress, however,

that reconnecting with our citizens does not simply mean that institutions must do more for citizens, and respond better to their demands. This goes without saying. But citizens are not passive actors in this process. Reconnecting with citizens must also mean that they themselves are empowered to do more for Europe, that they are involved in making Europe happen. In my trips around Europe's regions – I have so far made more than 120 such visits – I am struck by the fact that people want to feel ownership of the policies which we put in place. They want to feel responsibility for them. And in this respect regional policy has a significant contribution to make because of the approach it adopts to governance.

European regional policy involves people at the regional and local level because it is here that we find the expertise and experience necessary to identify problems and appropriate solutions. These stakeholders – local and regional authorities, businesses, universities, civil society organisations - are deeply involved in the design, implementation, and follow-up of the policy. The ownership that results greatly increases the effectiveness of what we do. In short we need to connect with the regions through involvement and not only through the provision of information.

This takes me back to the European Council on 8 and 9 March. The Commission's Annual Progress Report on the Lisbon agenda which will be discussed at the Council, makes clearer than ever before that this regional policy approach – bottom-up and based on partnership – is essential if we are to meet the Lisbon goals. One of my first aims as European Commissioner was to ensure that regional policy and the regions play a central role in this key priority of the Union, the Lisbon

Agenda. This year's Annual Progress Report makes clear that the involvement of the regions in the growth and jobs agenda is now a reality. This is the case both in terms of the governance process and in terms of the substance of what regional policy will do in the period between now and 2013.

If we look first at process, the Commission's report makes clear that there is now much closer co-operation between those responsible for designing Member States' Lisbon strategies – what in the jargon are known as National Reform Programmes - and those who are responsible for preparing the strategies for implementation of cohesion policy on the ground. This is important because it is in only a few cases, such as the Netherlands, that the same Ministry is responsible for both processes. In some cases, the authorities have decided that coordination needs administrative change. In Hungary a new National Development Agency oversees both processes, and in Poland, a specific cohesion policy committee has been created with the task of ensuring links with the National Reform Programme.

If we look at substance, we also see that Lisbon has reached the regions. Over the next 7 years, regional programmes will put the emphasis on the type of investment which is most relevant for the modernisation of Europe's economy. All Member States have now submitted either final or draft versions of their strategies for regional policy programmes and it is clear that about €200 billion of the total EU funding of €350 billion will go on areas such as innovation, RTD and the knowledge economy, and on efforts to promote entrepreneurship and the growth of innovative businesses. These are all issues at the heart of the Lisbon Agenda.

So it is clear that the essential work being done at regional level is now a major driver of Member States' efforts to promote growth and jobs. Connecting Lisbon to the regions is of course not a one-off event – our cohesion policy regulation obliges Member States to report each year on the contribution of cohesion policy to their National Reform Programmes. And the Commission, each year in its Annual Progress Report to the Spring Council, will provide an assessment of these national reports. In this way we will ensure that the regions continue to be key players in modernising Europe's economies.

I also want to emphasise that this recognition of the role of the regions is present in an ever wider range of policies. The Commission's Communication on Innovation of September last year stresses the fact that the main competence for fostering innovation lies at the regional level. We need partnerships between universities, firms and financial institutions; networks to disseminate good practices; and involvement of public bodies to act as catalysts in the process and to provide innovative services. Hence the regions must be closely involved in developing policies on innovation. Similarly the Commission's Communication on the Demographic Challenge of October, stresses regional specificities and the need for regional responses. The conference on Regional Policy Responses to Demographic Challenges which we held on 25 and 26 January, clearly showed how many excellent solutions to this challenge are already being developed and implemented at regional level.

Ladies and Gentlemen,

I started my speech this evening by saying that the month of March will be an important one for the Union. You will not be surprised if I conclude by saying that the months after March will be equally important! The declaration of Berlin will, I believe, bring us significantly closer to a constitutional settlement. In line with the subject of my talk this evening, I hope that the connection between Europe's and its regions will be firmly anchored in the final agreement. The Draft Constitution has shown how this could be done. It contains provisions which recognise local and regional government; extend the principle of subsidiarity to them; and which broaden the concept of cohesion to include territorial cohesion. Such provisions in a final constitutional settlement would help to establish multi-level governance more clearly in the Union, allowing relevant actors at all levels to bring their expertise to the process of designing and implementing our policies across a wide range of areas. In doing so they would make a major contribution to making the Union more efficient, more transparent, and more democratic.

Thank you.