

The Role of European Regions in the Future Development of the European Community*

Mr. Chairman, Ladies and Gentlemen!

I am pleased to speak to you as high-ranking representatives of most important enterprises from all over Europe about the future role of European regions in the EC.

It is a highly topical issue that we are discussing here, at the heart of the current European debate, and it will be of paramount significance for the future of European integration.

For the first time in the history of the EC, we encounter a considerable, large, and fast-growing number of people who oppose the ongoing European integration. It is by no means only *Margaret Thatcher* who recently evoked the concept of reshaping the EC into some kind of European free trade area, functioning on an inter-governmental basis. This idea meanwhile is shared by many people. The plebiscites in Denmark and France on the Maastricht-Treaty as well as in Switzerland on the Treaty on the European Economic Area clearly indicate the growing reservations concerning Europe in these countries too.

In a very general sense, people everywhere in Europe ask about the future direction of European integration. They want to know where we are standing and where we are going.

More and more people – in Germany as well as in other European countries – worry about what they call over-regulation and centralistic attitudes within the EC. But even more than that: They begin to fear that the ongoing process of European integration might endanger the cultural diversity in our nations. They fear a centralized European superstate, which reduces everything to the same level, including their own national and regional identity.

This fear – the loss of the homeland, the giving up of national and regional identity due to the establishment of the European Union – is not only frequent among the so-called "ordinary people on the street". Also, some highly estimated German professors of law criticise that the Maastricht-Treaty will change the legal fundament of the State affecting severely the quality of the Federal Republic of Germany as a sovereign State.

In consequence, these professors argue that the Maastricht-Treaty may only be ratified by Germany if it is confirmed by a referendum. The inherent difficulty of that demand becomes obvious when you realize that a referendum is not allowed by our constitution.

While I profoundly disagree with that opinion, one has to admit that recently we have heard diverging statements even from several judges of the Federal Constitutional Court.

So, we see, concerning the future of European integration, we are at the crossroads. It will be crucial for the acceptance of the Maastricht-Treaty by the population to find a way to introduce more transparency, more democracy, and more public-oriented policies into the administration of the EC.

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And we definitely have to find a solution of another problem: How can we preserve the diverse cultural values in Europe and thereby keep our own national and regional identity even within a united Europe?

So, we have to find a way to reconcile European integration with the preservation of cultural values. We have to make sure that further integration of Europe will not endanger national and regional identity and public-oriented policies.

To solve the conflict, Bavaria has developed the concept of a Europe of the Regions, a concept which today is more topical than ever, and which is the key point of the current European debate. The participation of the regions in the European decision-making process is a basic precondition to achieve these two goals: preservation of cultural values and well-balanced economic growth within the EC.

So, the Europe of the future will only be a Europe with a future, if it is structured according to the principle of "federalism" and – as corollary element – to the principle of "subsidiarity".

The concept of a Europe of the regions implies that the EC, the member states and the regions create a harmonious triad, they do not act against each other but work together as partners in European policy-making. Local authorities are an integral part of this triad.

Overall, creating a Europe of the Regions is a question of establishing a sensible balance, where the local authorities and the regions, the national state and the European Community take their responsibilities seriously and serve the needs of ordinary citizens as best they can.

Chancellor *Helmut Kohl* recently emphasized the important contribution of the regions to European policy-making. In fact, our liberal democracies survive due to the commitment of ordinary citizens. Their participation in the political process demands that decisions are made at a level which is as close as possible to them.

From this approach, we need as many "small units" as possible, able to implement all those tasks which, by their nature, are not restricted to the "higher levels". It must be part of the status of the "Länder" and regions that all tasks are transferred to them which they are best able and prepared to execute.

Today we see a fundamental change in the position of the EC vis-a-vis the regions. In former days, European policy-making has been restricted exclusively to the member States and the EC itself. Only in Germany the Länder have been integrated in the decision-making process of the Federal Government in European matters.

Now, the Maastricht-Treaty is going to put the participation of the regions – or Länder, or autonomous authorities – in European policy-making on an entirely new basis. This is clearly reflected by three basic elements of the Treaty:

The establishment of the Committee of the Regions, the new possibility of self-representation of the Länder/Regions of a federal state in the EC-Council, when their exclusive competences are involved and the incorporation of the principle of subsidiarity in the EC-Treaty as a guiding principle of action for all the institutions of the Community.

These innovations of the Maastricht-Treaty do not come as a surprise to all those who have a close insight into the political and economic developments within the EC. The growing

importance of the regions not only in cultural but also in economic matters has become more and more obvious during recent years. A striking example are the Structural Funds, where regional and local authorities have always been highly active at the EC-level.

One of the current catchwords is "*competition of locations*". Today, the regions compete with each other for financial supplies and better local conditions of any kind, for example concerning the infrastructure. No matter what kind of status the regions have on the national level, on the European level they have already been emancipated.

With the completion of the internal market this effect will even be intensified. Interstate thinking is going to be replaced by an intra-EC perspective encouraging broader inter-regional cultural and economic activities. This is accompanied by the termination of the five-year Community Support Frameworks in 1993 and the newly defined goals of cohesion.

The first step in this direction was the creation of the Council of European Regions and Localities in 1988. But the regions complained about this weak form of representation. A number of German, Spanish and English regional and local authorities opened offices in Brussels.

As *Robert Leonardi* from the London School of Economics has pointed out, the combination of a greater organizational presence of the regions in Brussels and the partnership established between the Community, national governments and the regions have given a new meaning and imperative to the maintaining of viable ties between the Community and the regions.

At the EC-level, the installation of the regional component contains two aspects: The incorporation of the regions in the EC-decision-making process and the observance of the principle of subsidiarity. The Committee of the Regions will bring local expert knowledge and more openness into the EC decision-making-process. This will help to appreciate special regional concerns not only in cultural but also in socio-economic matters.

But despite all the efforts to incorporate the regional level in the EC-decision-making-process, the principle of federalism will remain a vague theoretical formula unless it is supported by the corollary principle of subsidiarity.

While federalism may be regarded as the organizing principle of the Europe of the future, we may describe subsidiarity as the principle of action.

Bavaria has elaborated detailed proposals for the practical application and implementation of the principle of subsidiarity within the EC. The memorandum of the German Federal Government, presented in the Council the first days of October, is influenced by our Bavarian proposal. This is the result of intensive cooperation of the German Minister of Foreign Affairs with the Länder.

The Bavarian paper emphasises the strict application of the new Art. 3 b of the EC-Treaty. According to this article, the Community may act only, if the objectives of the proposed action cannot be achieved by the member states themselves. Thus, the EC may only accept tasks which have a "European aspect" and must maintain its regulations within the framework of necessity and viability.

But it is important to note that regulations of the Community are not justified merely because a problem is a supra-national one, or that a pan-European activity makes a "European Value

added" feasible. The decisive question is: Are the member states, are the regions not able to manage a task in an adequate manner?

Consequently, the Community may undertake new tasks only as far as the execution thereof is vital on a European level and full effectiveness can only be guaranteed at that level. Finally, the measures of the EC must not transcend the objective of each measure.

We welcome that the EC-Council presented to the European Council in Edinburgh a "general concept" for the application of the principle of subsidiarity. Further details will be elaborated by an inter-institutional agreement. Here again, Bavaria and other German Länder are ready to support the Federal Government in formulating the German position in the EC-Council.

We have further prepared a highly specific list of EC-regulations and directives which in the light of the principle of subsidiarity represent some over-regulation and should therefore be changed or even abolished. The Federal Government will soon present a similar paper to the EC-Council.

By all these efforts we do not intend to weaken the Community. On the contrary: It is not our ambition to reshape the EC into some inter-governmental free-trade area by invoking subsidiarity. We want to create a stable Community on a firm basis. To that end, we need the EC-law to be widely accepted and free from unnecessary over-regulations. I am sure that as soon as it will be assured that the principle of subsidiarity is respected, the Community will regain lost confidence among the people.

As mentioned before, the concept of a Europe of the regions also includes a domestic element. Of course, this domestic element has to be adapted to the specific conditions of every member state.

From the German point of view, I have to stress that due to the fact that EC-law more and more affects the status and the competences of the Länder, they have to participate in European policy-making of the Federal Government. Otherwise, the Länder would risk losing their competences, losing integral parts of their legal status without gaining any equivalent.

In Germany, in context with the ratification of the Maastricht-Treaty, a new article was introduced into the "Grundgesetz" dealing exclusively with European matters. It gives substantial new rights to the Länder in participating in European policy-making of the Federal Government.

I want to emphasize that these efforts and developments have nothing in common with any form of separatism. It would be a serious error to confuse that concept of a Europe of the Regions with separatist tendencies, which represent one of the greatest dangers for peace in Europe today.

So far, we have considered two elements of the concept of a Europe of the regions: The participation of the regions in the EC-decision-making process in Brussels and the participation of the regions in European policy-making in the capital of their country.

Now, there is another aspect of the Europe of the regions: the work at home, in the regions themselves.

The regions have to become aware that they are the most important transmitters, of European thinking, of European concerns, to their citizens. On the other hand, they are also the most important sources of regional aspects and local concerns for the EC. This double function will increasingly characterize the work of the regions.

The growth of inter-regional cooperations will be one of the consequences of this new task. Regional cooperation besides national frontiers will be a key element of the Europe of the regions.

Growing inter-regional cooperations will also help to preserve our cultural identity, the most precious treasure we have, which has been the source of all noble creative inspirations.

With all due respect to all representatives of Europe-wide and global acting enterprises: Europe is much more than just an economic community. Let us not forget that originally the integration of Europe was started to strengthen our cultural roots, to bring together our rich traditions, values, and virtues to build a new house of a Europe of the cultures.

And let me add with some concern: That is the tragedy of the civil war in former Yugoslavia!

Our concept of a Europe of the regions is a good chance to reconcile European integration with the need to preserve cultural diversity. This will give a firm basis to European integration. And it will help to drive away the clouds of doubt which are currently obscuring the European sky.