

**Europe of the Regions**  
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**Riga, 6<sup>th</sup> December 2002**

The European integration process, that started after World War II in the early 50ties has given to its population the longest period of peace, welfare and material richness. The European Union is therefore claimed to be the best project the Europeans have ever done. The European Community, now European Union, emerged as the core regional organisation in Western-Europe. The term “Europe” has become a powerful value in political discourse about the future continental order. The enlargement of the European Union finds its source in the success of that integration process, that started officially in 1958 with the signature of the Treaty of Rome, establishing the European Economic Community, joined then by six countries.

The European Union has first been conceived as a Union of nations and not as a Europe of Regions. Nationalism still continues to exist, but the regional thinking and the regional importance increases steadily.

The idea of nationhood endows nationalism. There is still emphasis on citizenship and legal equality, but the concept of identity drawing on myths of origin and regional memories is growing. The consideration of modern nationalism and pre-modern ethnic ties is the same as the consideration of nations and regions. Sure, nationalism has produced one of the most powerful forms of collective identity in the world. Still, regional and ethnic core have provided distinctive forms and the driving force for the elaboration of nations.

One of the emerging themes in the European Union is the nature of territoriality and the growth of a new regionalism.

The term “region” is problematic and although used in political discourse it has very different meanings as:

- sub units of government and/or as
- cultural and economic arenas.

The revival of territorial politics was evident in Scotland, Wales, Northern Ireland, Cordica, Languedoc, Catalonia, the Basque country and between Flemish and Wallons in Belgium. Under the European integration movement the regions seek their chance to assert their identity. The “Scottish National Party” created the slogan: “Independence in Europe”. The regional movements want to participate in the political and economic structures of the unified Europe, while asserting their identity and autonomy within Europe and within their own states. Some have the vision of a “Europe of Regions” in which the European states dissolve over time. In fact, in some state regionalism seems to be a response to the mobilisation of separatist or autonomous forces. Indeed, on one side we have the movement of integration into a larger European Union and on the other side the contrary, the atomization in sub--regions.

The impetus towards regional government has a functional and a normative component. The strengthening of regional government is a response to overload of too centralized power in Brussels but also in central governments. Regional presence and decision power reduces the

distance between citizens and the central state, in fact basics for participatory democracy. What is also a new dimension, that the new regionalisation goes also cross-border with the creation of Euregios.

As an answer to this discovery of regions, in the Treaty of Maastricht, signed in 1992, the European Union has officially recognized the regions, as stipulated in Articles 128ff:

#### ARTICLE 128

1. The Community shall contribute to the flowering of the cultures of the Member States, while respecting their national and regional diversity and at the same time bringing the common cultural heritage to the fore.

2. Action by the Community shall be aimed at encouraging cooperation between Member States and, if necessary, supporting and supplementing their action in the following areas:

- ✍ improvement of the knowledge and dissemination of the culture and history of the European peoples;
- ✍ conservation and safeguarding of cultural heritage of European significance;
- ✍ non-commercial cultural exchanges;
- ✍ artistic and literary creation, including in the audiovisual sector.

#### ARTICLE 130a

In order to promote its overall harmonious development, the Community shall develop and pursue its actions in leading to the strengthening of its economic and social cohesion.

In particular, the Community shall aim at reducing the disparities between the levels of development of the various regions and the backwardness of the least-favoured regions, including rural areas.

#### ARTICLE 130c

The European Regional Development Fund is intended to help redress the main regional imbalances in the Community through participation in the development and structural adjustments of regions whose development is lagging behind and in the conversion of declining industrial regions.

It seems as if political leaders have understood, that the integration of Europe into a bigger and bigger Union will only be sustainable, if some governance remains very near to the citizens.

The richness of the European Union is its diversity.

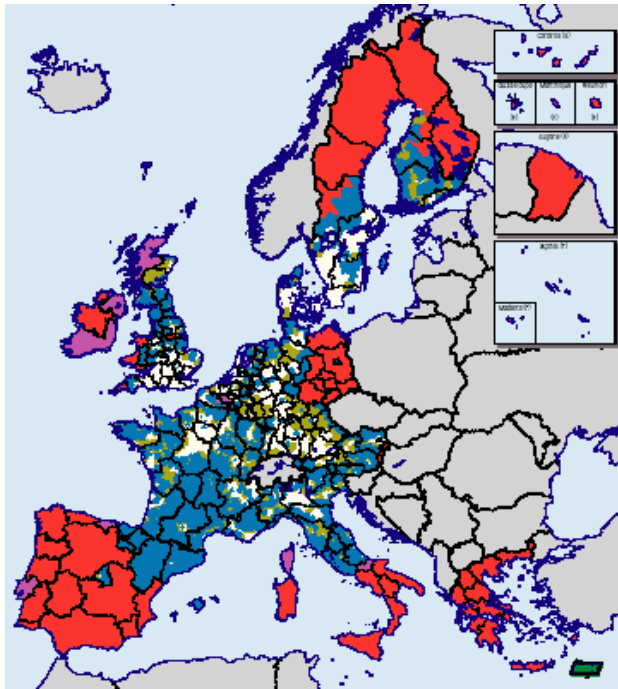
In fact, inside the Union we identify remarkable regional differences, this by culture, by language, by religion, by economic performance but also by standard of living. There is a clear disequilibrium between rural areas and urban areas, but also between areas remote from the centres of economic development in the central-western part of the Union and the rest of the European Union. Regions are in competition among themselves to provide the best environment for the production and the export of goods and services.

But before discussing regional disparities inside the EU, lets have a look into the systematic of the “official regions” inside the 15 EU member states:

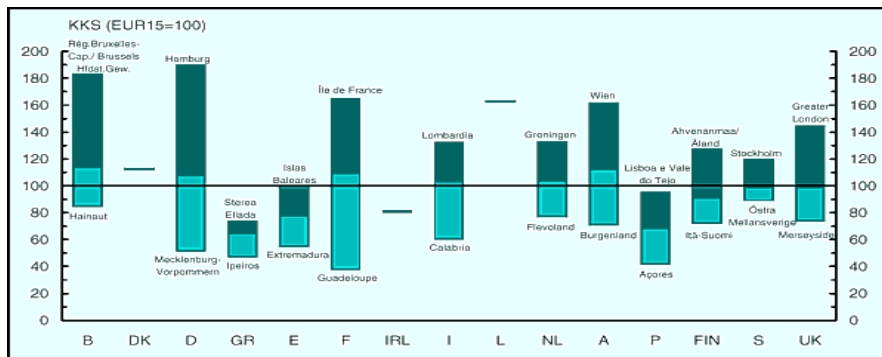
| NUTS 0      | NUTS 1                              |     | NUTS 2   |      | NUTS 3                                       |        |
|-------------|-------------------------------------|-----|--|------|--|--------|
| Belgium     | Régions                             | 3   | Provinces  | 11   | Arrondissements                              | 43     |
| Denmark     | -                                   | 1   |  | 1    | Amter  | 15     |
| Germany     | Länder                              | 16  | Regierungsbezirke                                      | 38   | Kreise                                       | 445    |
| Greece      | Groups of Development Regions**     | 4   | Development Regions                                    | 13   | Nomoi  | 51     |
| Spain       | Agrupacion de comunidades autonomas | 7   | Comunidades autonomas + Ceuta y Melilla                | 17+1 | Provincias + Ceuta y Melilla                 | 50+2   |
| France      | Z.E.A.T + Departements d'outre-mer  | 8+1 | Régions + DOM  | 22+4 | Départements + DOM                           | 96+4   |
| Ireland     | -                                   | 1   | -  | 1    | Planning regions/ Regional Authority Regions | 9/8    |
| Italy       | Gruppi di regioni**                 | 11  | Regioni  | 20   | Provincie                                    | 95/103 |
| Luxemburg   | -                                   | 1   | -  | 1    | -  | 1      |
| Netherlands | Landsdelen                          | 4   | Provincies   | 12   | COROP-Regio's                                | 40     |
| Österreich  | Gruppen von Bundesländern           | 3   | Bundesländer   | 9    | Gruppen von Politischen Bezirken             | 35     |
| Portugal    | Continente + Regioes Autonomas      | 1+2 | Comissaoes de Coordenacao Regional + Regioes Autonomas | 5+2  | Grupos de Concelhos                          | 30     |
| Finland     | Manner-Suomi/ Ahvenanmaa            | 2   | Suuralueet   | 6    | Maakunnat                                    | 19     |
| Sweden      | -                                   | 1   | Riksomraden  | 8    | Län  | 24     |
| UK          | Standard Regions                    | 11  | Groups of counties**                                   | 35   | Counties/Local authority regions             | 65     |
| EUR 15***   |                                     | 77  |  | 206  |  | 1031   |

The statistics of the EU divide the regions and sub-regions in three levels, NUTS 1 to NUTS 3. Each country inside the EU has its own very individual regional set-up, from a federal system as in Germany to a single region as in Denmark. In total we count 1.031 sub-regions inside the EU. This definition is not one done by the EU, but is the traditional-national definition done by each country, where it has mostly historical roots.

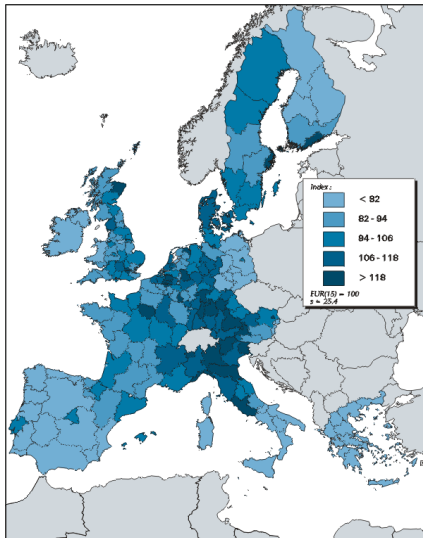
The following graphic shows the scattered landscape of the European regions as well as the difference in living conditions:



The following table shows the difference of the level of living and buying power by per capita in the richest and the poorest region per member country.



The gaps in development and living standards between regions have long been and still are reality in every Member State. Over the Union as a whole, the differences are even more pronounced. A successful economic and monetary union requires parallel growth in all of the Union countries, or else risks favouring the stronger central economies. The graphic shows the difference of GDP per capita in the regions of the EU. The concentration of high income due to GDP generation is in the BENELUX, Denmark, big parts of West-Germany, the Paris and London region and Northern Italy.



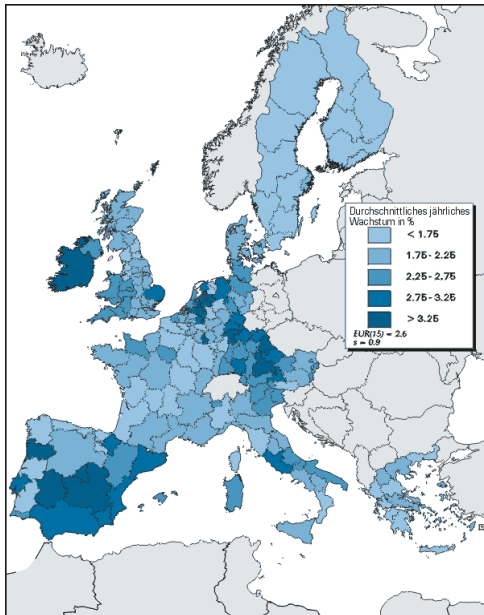
To help those Union countries and regions whose GDP was less than 90% of the Community average, the Treaty of Maastricht established a Cohesion Fund to help them.

Though eligibility to this Cohesion fund is restricted to Member States whose per capita gross national product (GNP) is less than 90% of the Community average and which have a programme designed to achieve the conditions of economic convergence as set out in Article 104 of the Treaty establishing the European Community.

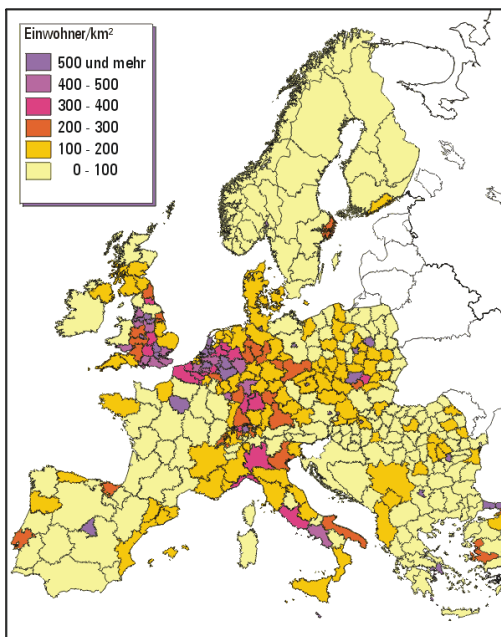
At the moment Greece, Spain, Ireland and Portugal are eligible to benefit from the Cohesion Fund. So will be the candidate countries

The objective of the Cohesion Funds is to promote economic and social cohesion within the European Union through the reduction of this imbalances between the regions Therefore the following graphics is interesting, as it shows the increase of per capita income in the regions of the Union over a period of 10 years.

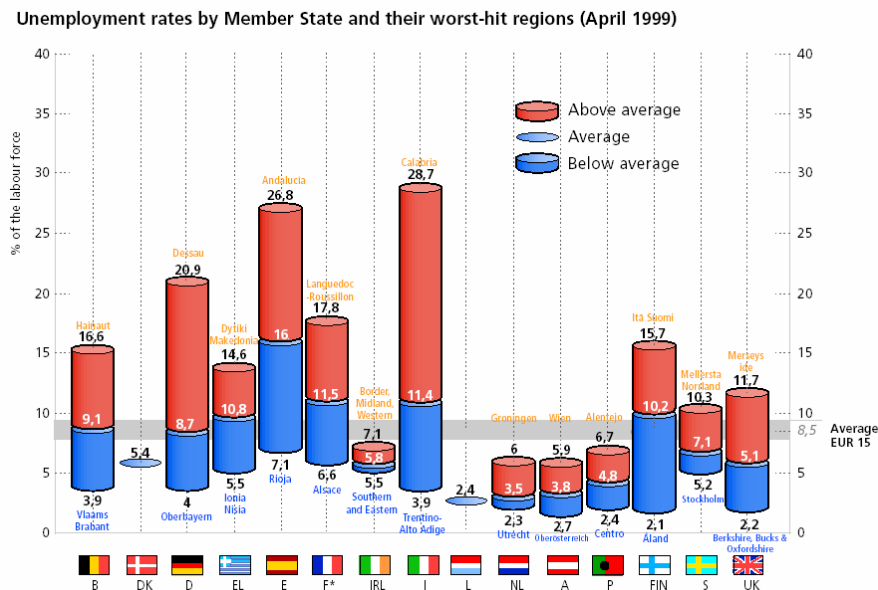
The highest increase of per capita income has been achieved in regions, that had already been the richest, but also in Ireland, the South and East of Spain and in some regions of Portugal. This is without any doubt an achievement of the Cohesion funds and the regional policy.



It needs to be seen, that obviously a function exists between regions with high standard of living and population density. The following graphic demonstrates, that the regions with high population density are those in general that have also a high per capita income.



It is no surprise, that unemployment rate also has regional impacts, the poorest regions showing, in general the highest unemployment rates.



It is evident, that a more regions driven politics in the EU can fight regional disparities. An analysis of the economic situation by country would not allow to identify these disparities and to fight them.

As a consequence, the economic and social politics of the EU has become a politics of the Regions.

A part from economic and social politics, the EU will only be successful and will be accepted by its 360 million population, if regional characteristics, regional culture, languages and dialects continue to be an untouched property of the regions.

The European Union has granted 195 billion EUR over a period of six years to the Cohesion funds. These funds are allocated to regions of the EU, but also to the candidate countries.

Latvia also needs regional politics. Without any doubt inside Latvia the disparity between Riga and the rest of the country eminent. Latvia had in the year 2000, when I first visited your country on behalf of the Vidzeme Regional Development Project, no consistent socio-economic regional development. Even regions were not defined. The existing rayons and planning regions had other objectives than social cohesion.. I remember well, that many decision makers in the central administration preferred a very centralized approach to the future development of the country. I will never forget one of my first discussions I had with a Mr. Ivars Gaters in January 2000, when I tried, but without success, to convince him about the importance of regions also in Latvia and that regions should eligible for some self-determination. Today, that same Mr. Gaters is Minister for regional development and is the most prominent fighter for social cohesion cooperation in Latvia. My sincere congratulations to you, Mr. Gaters.

Today we look back on a difficult but successful development of regional consensus in Vidzeme. All started thanks to an initial initiative of Transform with Dr. Joachim Metz in Germany, the maire of Valmiera, Maris Kucinskis, and a night in a castle in Limbadje. This

Limbajė night was the start of the birth of the region of Vidzeme and the Vidzeme Development Agency.

Today the Region of Vidzeme presents its achievements. We are all very proud and I wish all of you, that all we planned will become reality. I wish Latvia and its regions to become prosperous partners in our European Union.

Let me thank you all for your hospitality, cooperation, competence and patience with me and my collaborators.. My thanks go also to the responsables of Transform in KfW in Frankfurt and to the German Ministry of Economy, Mrs. Ursula Horn, who granted us during all these years not only the financial means but working conditions that couldn't have been better.

Still, you are only at the beginning of regional development. I show you a last graphic, an extract from the fulfilment of the Acquis Communautaire by Latvia. We have to deal with chapter 21 and you see, that this chapter is not yet closed. I hope you will be able to do so next year.

| CHAPTERS:                                   | BG | CY | CZ | EE | H | LT | LV | M | PL | RO | SL | SK |
|---|----|----|----|----|---|----|----|---|----|----|----|----|
| <b>21 Regional policy, structural funds</b> | o  | o  | o  | o  | o | o  | o  | o | o  | .  | o  | o  |
| <b>22 Environment</b>                       | o  | x  | x  | x  | x | x  | x  | . | x  | .  | x  | x  |
| <b>23 Consumers and health protection</b>   | x  | x  | x  | x  | x | x  | x  | x | x  | x  | x  | x  |
| <b>24 Justice and home affairs</b>          | o  | o  | o  | o  | o | o  | o  | o | o  | .  | o  | o  |
| <b>25 Customs union</b>                     | o  | x  | x  | o  | x | x  | x  | . | x  | o  | x  | x  |
| <b>26 External relations</b>                | x  | x  | x  | x  | x | x  | x  | x | x  | x  | x  | x  |
| <b>27 CFSP</b>                              | x  | x  | x  | x  | x | x  | x  | x | x  | x  | x  | x  |
| <b>28 Financial control</b>                 | o  | x  | x  | x  | x | x  | o  | x | x  | .  | x  | .  |
| <b>29 Financial, budgetary provisions</b>   | .  | o  | o  | o  | o | o  | o  | o | o  | .  | o  | o  |
| <b>30 Institutions</b>                      | .  | .  | .  | .  | . | .  | .  | . | .  | .  | .  | .  |
| <b>31 Others</b>                            | .  | .  | .  | .  | . | .  | .  | . | .  | .  | .  | .  |
| CHAPTERS:                                   | BG | CY | CZ | EE | H | LT | LV | M | PL | RO | SL | SK |

Thank you for your attention.