Position Paper in view of the Extraordinary European Council meeting in Lisbon on 23-24 March 2000 - "Employment, economic reforms and social cohesion, towards a Europe based on innovation and knowledge"

Adopted by the CEMR Executive Bureau in Sintra on 21 March 2000

The Council of European Municipalities and Regions welcomes the themes to be addressed by the extraordinary European Council meeting in Lisbon, as well as the European Union's decision to assume responsibility for coordinating the economic and social strands within the framework of its global strategy.

CEMR believes that this co-ordination is essential to achieving a true European project, preserving the traditional values of social cohesion and respect for democracy, while integrating the new economic and cultural factors, particularly the information society.

CEMR believes that this co-ordination role is essential in achieving a balance between the traditional European model of social protection and democracy, and the need for economic innovation, in particular through the development of information and communication technologies.

CEMR underlines, reflecting the main themes within the preparatory document published by the Portuguese Presidency on 17 January 2000, that the main challenges facing European citizens:

- to preserve and enhance social cohesion through the provision of employment opportunities,
- ensure economic vitality through innovation,
- ensure synergy between EU policy and the needs and expectations of the citizens,
- associate all the European, national, local and regional, social and private partners in this strategy,
- introduce innovation in governance.

CEMR welcomes the decision to recognise local and regional authorities as full partners in this ongoing process, as they have a key role to play in the implementation of European policies.

Local and regional authorities are:

- the level of government closest to citizens,
- the catalysts of economic development on their territory,
- the origin of economic, social and political innovation,
- major actors in the evolution of the labour market,
- concerned by social exclusion and citizens' living standards,
- as employers, active partners in the European social dialogue.

This specific role has been recognised by the European Union in its strategy for employment, and integrated in the guidelines for 2000.

Nevertheless, local and regional authorities can and wish to make a greater contribution to the European strategy, as formulated by the Lisbon European Council, beyond the sole problem of employment.

Local and regional actors are committed to making an effective contribution to employment creation and social inclusion at the local level. With this in mind, CEMR wishes to elaborate a number of points which are essential for a successful strategy.

1. INNOVATION IN GOVERNANCE:

1.1. The Portuguese Presidency recognises that the implementation of an effective European policy is reliant on the commitment of all its partners.

1.2. The design and implementation of European policy, particularly in the areas related to socio-economic innovation, can no longer be carried out in a linear manner by transmitting European decisions to the national governments, and only afterwards to the local level where they are applied. The borders between local, regional, national and European spheres disappear in favour of new structures and partnerships which respond to the need to share competencies and resources.

1.3. One of the most important instruments to implement socio-economic policy is the European Social Fund. The significant role of local and regional government in innovating in social and economic policy demands involvement of those governments in the decision-making and implementation process of the European Social Fund.

1.4. The reference to the «principle of subsidiarity» and the need to make political innovations made in the preparatory document for the Council raises a central point for the success of the strategy presented: the co-ordination of policies and the dialogue between all partners.

1.5. CEMR considers this reference to the principle of subsidiarity to be substantial progress on the part of the European Union, and recommends that it becomes a basic principle of the European strategy in economic and social policy areas. CEMR recalls that, as mentioned in the European Commission's work programme for 2000, this principle should be implemented through a global reflection on European governance.
1.6. Therefore, the application of the principle of subsidiarity must be carried out within a specific framework to guarantee the effectiveness of policy implementation while respecting the autonomy and competencies of the different actors. This implies the formulation of a dynamic process of co-operation between spheres of government, based on:

the creation of a macro-economic co-ordination framework of policies at European level, fostering the development of an overall "strategic" vision through recommendations, evaluation and accompanying measures,

the "tactical" implementation of this European framework through measures taken at national level and national action plans,

the "operational" adaptation of these national measures to the individual local / regional context in each member State, in order to ensure that their implementation adequately meets the needs of citizens and enterprises.

1.7. This principle therefore presumes:

the introduction of the principle of consultation of local and regional authorities regarding the formulation of national action plans,

the fine-tuning of mechanisms for evaluating national as well as local and regional policies allowing them to be adapted within the European framework,

the creation by the European Union of accompanying measures to allow local government to evaluate the local and regional prospects for the labour market and the needs of citizens and enterprises.

2. INNOVATION IN ECONOMIC AND SOCIAL POLICY:

2.1. The European Union recognises that much innovation emerges and is developed locally. It is through support for these innovations that the European economy and society will develop.

2.2. Aware that Europe is lagging behind in this area, local and regional authorities are committed to overcoming this innovation gap by developing the necessary instruments to spread innovation throughout their territories.

2.3. Innovation occurs in several areas at local and regional level: economic innovation, social innovation, and technological innovation.

2.4. At economic level:

2.4.1. Local and regional authorities have developed action plans to support enterprises (access to risk capital, business centres, development agencies, etc.).

2.4.2. Local and regional authorities stress the need for the European Union to participate and foster the widespread dissemination of innovative practices through such measures as the
publication of research results (particularly those of European framework programmes), the continuation of actions supporting risk capital, the encouragement of national fiscal policies which are more favourable to starting up companies.

2.5. At social level:

2.5.1. Local and regional authorities are primarily responsible for the economic and social integration within their territories, and by extension, the quality of life of all their citizens. As a consequence they are required to provide services, which respond to the needs of the citizens and address new forms of exclusion linked to the evolution of the labour market and to the widespread introduction of new information technologies.

2.5.2. Local and regional authorities, besides national government, are therefore committed to ensuring the access of all their citizens to employment, training and services. They recommend to the European Union that it continues its policy on equal opportunities as well as the implementation of article 13 of the Treaty of Amsterdam. The social impact of Community policy also needs to be measured systematically.

2.5.3. They also ask that the problem of an ageing population and the consequences of this in terms of social protection and health be taken immediately into consideration, as well as the need for local authorities to adapt their services to meet the needs of their populations. It is also necessary to promote the active participation of ageing people in working life.

2.5.4. Local and regional authorities should be active partners in the European Union's reflections and actions plans in all these policy areas.

2.6. With regards to employment, notwithstanding the primary responsibility of the Member States in this field, unemployment remain a central concern for local government.

2.7. The European Union recognised the particular role played by local and regional authorities in creating jobs in its employment guidelines for 2000. In addition to the recommendations made in its position paper "Act locally for employment", CEMR asks the European Union for the following:

increased support from the European Union for local actions fostering employment, the development of new information technologies as a tool in bridging the gap between supply and demand in employment services,

the continuation by the European Union of its policy for equal access to jobs and equal working conditions, the introduction of fiscal policies with a view to stimulating employment creation.

2.8. With regard to technologies: local and regional authorities are active in developing of new technologies in order to respond to two imperatives:
to modernise their services, to ensure citizens’ access and their capacity to fully benefit from new technologies, particularly in the schools, libraries, medical services and training services which are often under their jurisdiction.

2.9. In this respect, CEMR restates the need for a coherent European framework which guarantees the equal access of all local authorities to these technologies, which is a fundamental pillar for future social and economic cohesion.

2.10. CEMR underlines that the measures taken at local and regional level contribute to the overall development of European social model. These measures often enable solutions to be found to the major social problems by addressing their source and providing more personalised solutions.

2.11. In an increasing globalised world, local and regional authorities often deal with the consequences of issues that are beyond their control. Consequently CEMR urges greater dialogue between the European institutions and local government in resolving global issues at the local level within the framework of European cohesion policy.

3. INNOVATION IN CITIZEN PARTICIPATION:

3.1. In future, the European institutions, in partnership with national government, will have to address major problems such as social protection and fiscal harmonisation.

3.2. These measures will affect the lives of citizens and are therefore to be relayed to the local level in order to ensure that they are properly accepted and understood, thus safeguarding the European Union’s credibility.

3.3. Moreover, as the level of government closest to the citizens, local and regional authorities are in the best position to know and identify their needs and expectations. They must therefore be given the necessary tools to evaluate their policies and to adapt them to these needs.

CEMR therefore asks the European Union to take steps to develop local and regional tools in addition to the national evaluation tools set up in the national action plans.

3.4. CEMR asks the European Union to continue its policy of transparency and of full public access to information, as well as the drawing up of a framework for access to public information (“on-line government”).

4. CEMR reiterates its support for the strategic vision presented by the European Council and the Portuguese Presidency, and reaffirms the willingness of local and regional authorities to ensure its success.

4.1. With this in mind, CEMR asks that local and regional authorities be represented in the High-Level Forum which will meet in June 2000.

4.2. CEMR recommends that, instead of creating an Observatory on Industrial Change, the European Council should decide to create an Observatory on Economic and Social change, and urges the provision of a seat for local and regional authorities as well as for the third sector, within this body.