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**The Impact of European Institutions on
Local and Regional Development**

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Abstract: A united Europe is the sum up of how different regions live together and find common perspectives. This does not fit only as a political, social or philosophical idea, but since the creation of the European Union, regional development remains one of the most important cornerstones of the institutions of EU. Different legislative acts of EU institutions refer something in specific about regions policy, regional development etc, but since 1994 the issue of the regions in Europe has been treated throughout a specific institution: European Committee of the Regions. On the other hand, the Congress of Local and Regional Authorities, Council of Europe is established to make sure that the principles of the European Charter of Local Self-Government are observed through systematic monitoring and regular dialogue with the governments of the Council of Europe member states. Member states of European Union are also member states of Council of Europe. This paperwork aims to: Find concrete impact of European institutions on local and regional reality in Europe; Analyze the work of European Committee of the Regions throughout concrete examples for the regional development; Propose concrete policies or legislative changes on how European Committee of the Regions (CoR) can develop productive agreement with other institutions that can strengthen regional cooperation and further development in EU. This approach would realize a new perspective on managing the point of view of the researchers, but also to give some important recommendations on how EU institutions, specifically CoR can properly behave with each other in order to help on regional development.

Keywords: regional institutional cooperation; European institutions' mechanisms; European Committee of the Regions; Congress of Local and Regional Authorities

1. Introduction

A functional EU does not make sense without a concrete and useful policy on local and regional development. The recent initiatives that happened inside EU has demonstrated a special awareness in order to improve local and regional realities. EU institutions, despite of the macro level of policies, have also paid attention to the local and regional policy and laws, as micro arenas to initiate the present and future of EU.

On the other side, the phenomena of migration towards EU boundaries has disorientated the way how different regions are being developed and facing different problems, too. EU institutions are conceived to be very bureaucratic and centralized ones. This has made the public opinion to think that EU institutions are issues to be handled only by Brussels, Strasbourg, Luxembourg, which are far away from their everyday life and reality and sometimes impossible to be truly reached.

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In the function of the subsidiarity principle, EU policy and laws were re-dimensioned in order to come as closer to communities with different EU agencies and local institutions. All this was not enough to properly reach and manage the reality of local and regional entities. With this purpose, in the European arena were established two specific institutions: Congress of Local and Regional Authorities and European Committee of the Regions. Congress of Local and Regional Authorities is an institution of the Council of Europe, meanwhile European Committee of the Regions is an institution of European Union.

The fact of establishment of these institutions leads to a better level of guarantee of regional development, but there is still much more to be improved, specifically referring to the way how EU policies must be coordinated in order to produce common perspectives and approaches throughout the EU arena.

2. The Concrete Role of EU Institutions for Regions

According to the Article 10B of the Lisbon Treaty *“Decisions of the European Council on the strategic interests and objectives of the Union shall relate to the common foreign and security policy and to other areas of the external action of the Union. Such decisions may concern the relations of the Union with a specific country or region or may be thematic in approach. They shall define their duration, and the means to be made available by the Union and the Member States.”*

According to Article 2 of the Protocol of Lisbon Treaty *“On the application of the subsidiarity and proportionality” Before proposing legislative acts, the Commission shall consult widely. Such consultations shall, where appropriate, take into account the regional and local dimension of the action envisaged. In cases of exceptional urgency, the Commission shall not conduct such consultations. It shall give reasons for its decision in its proposal.*¹

If we analyze carefully the Treaty of Lisbon, we will come into the conclusion that each institution of EU must consult the Committee of the Regions keeping balances between different interests of nationalities and regions. It is very positive the fact that the Lisbon Treaty has made compulsory the consultation process between other institutions of EU and Committee of the Regions for decisions that do effect regional development. This collaborative process leads to strengthen and improve regional development also by identifying the problems of how different regions embrace common perspectives and policies of the Union. On the other hand, these provisions of the Lisbon Treaty do minimize the behavior of different regions when “getting angry” with the policy of EU.

It sounds very promising that a common practice of these institutions is the fact that when EU institutions produce a document (legal act, project, opinions etc) they consult first the Committee of the Regions by also providing on these documents the elements that balance the relation between Union and different nationalities, regions. This practice improves the level of trust on local and regional authorities when living together with the European Union and leads towards a concrete level of implementation to bring EU closer to local authorities, too.

Among the provisions and the impact that the Treaty of Lisbon has provided for regions in EU, there are also some different decision making of EU institutions that do play a significant role for regions. Due to the fact the European Commission is the institution responsible to propose and push towards the decision making of other institutions in EU, it has developed recently the ‘New Strategy beyond 2020’.

¹ Lisbon Treaty, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12007L/TXT>, seen at latest on September 2018.

For the next long-term EU budget 2021-2027, the Commission proposes to modernize Cohesion Policy, the EU's main investment policy and one of its most concrete expressions of solidarity.¹

Nowadays, we can easily find in the websites of each institution a very detailed information about regional policy and the real level of its implementation. Article 174 of the Treaty on the Functioning of the European Union (TFEU) provides that, in order to strengthen its economic, social and territorial cohesion, the Union aims to reduce disparities between the levels of development of the various regions and the backwardness of the least favoured regions or islands, and that particular attention is to be paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps.² The language of EU law related to local and regional development in EU stands as following:

- Common provisions regulation (CPR)

Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council:

- Regulation (EC) No 1083/2006;

- ERDF Regulation;

- Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing;

- Regulation (EC) No 1080/2006;

- ESF Regulation;

- Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006;

- ETC Regulation;

- Regulation (EU) No 1299/2013 of the European Parliament and of the Council of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal;

- EGTC Regulation;

- Regulation (EU) No 1302/2013 of the European Parliament and of the Council of 17 December 2013 amending Regulation (EC) No 1082/2006 on a European grouping of territorial cooperation (EGTC) as regards the clarification, simplification and improvement of the establishment and functioning of such groupings;

- Cohesion Fund Regulation;

¹ https://ec.europa.eu/regional_policy/en/2021_2027/, seen for the last time on April 2019.

² https://ec.europa.eu/regional_policy/en/information/legislation/regulations/, seen for the last time on April 2019.

- Council Regulation (EU) No 1300/2013 of 17 December 2013 on the Cohesion Fund and repealing Council Regulation (EC) No 1084/2006;
- EAFRD Regulation;
- Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005;
- EMFF Regulation;
- Regulation (EU) No 508/2014 of the European Parliament and of the Council of 15 May 2014 on the European Maritime and Fisheries Fund and repealing Council Regulations (EC) No 2328/2003, (EC) No 861/2006, (EC) No 1198/2006 and (EC) No 791/2007 and Regulation (EU) No 1255/2011 of the European Parliament and of the Council.¹

What we see from the above legal documents of EU, the impact of EU institutions towards regional development consists on:

- the fact that local and regional development remains a priority issue on everyday working of EU institutions,
- the compulsory collaboration with European Committee of the Regions when it comes to produce decision making on this issue,
- EU policy has put regional development on a specific budget voice (European Commission). It estimates about 40 % of the total budget of EU.²

3. The Impact of European Committee of the Regions on Regional Development in EU

European Committee of the Regions (CoR) was created in Maastricht Treaty (1992). According to the European Union, CoR provides “more than 50 opinions a year on EU legislation, more than 40 stakeholders” consultations each year and more than 300 events a year.³

Due to the fact that all the actors of European Union know that there is a specific institution that manages and handles regions issue, leads to another level of trust of citizens, local authorities and also EU employees and policymakers. On the other hand, it is a structured body that gives all the needed analyzes to the other institutions, especially to the Commission, Council and Parliament when doing the legislative process.

According to the provision of Lisbon Treaty this institution does have “advisory” competencies. The actual movement of different regions in EU has demonstrated that this issue needs maybe better policies and interventions to manage diversity. *Would it be better that European Committee of the Regions could*

¹ https://ec.europa.eu/regional_policy/en/information/legislation/regulations/, seen for the last time on April 2019.

² Mara Giua, *Spatial Discontinuity for the Impact Assessment of the Eu Regional Policy: The Case of Italian Objective 1 Regions*, *Journal of Regional Science*, Vol. 57, no. 1, 2017, pp. 109–131, <http://eds.a.ebscohost.com/eds/pdfviewer/pdfviewer?vid=1&sid=2ccd8e25-1b40-45b9-b4e9-4c5583f048fd%40sessionmgr4008>, last seen on April 2019, p. 120.

³ Tescaiu, B. & Frutes, C. The Committee of the Regions and the Regional Policy. A Case Study: Romania, *Bulletin of the Transilvania University of Braşov*, Vol. 6 (55), No. 2 - 2013 Series V: Economic Sciences, <http://eds.a.ebscohost.com/eds/pdfviewer/pdfviewer?vid=0&sid=49127706-3cd7-4cfb-863e-d0755098c9cf%40sessionmgr4006>, last seen on April 2019, p. 3.

have “mandatory” competencies for a better regional development? The fact that CoR has only advisory competencies do not prevent the input of this institution on regional development, because of:

1. CoR gives all the legal analyze and other needed reports when it comes to regional phenomena in EU.
2. CoR has the right to refer a case on European Court of Justice. In order to better fulfil this role, it has long sought the right to refer cases of infringement of the principle of subsidiarity to the Court of Justice. Following the entry into force of the Treaty of Lisbon, it now has this right under the terms of Article 8 of Protocol No 2 on the application of the principles of subsidiarity and proportionality.
3. CoR has often served as an indicator on best consulting other institutions to realize a reasonable decision-making.

Comparing with other institutions, CoR concretely realizes a balanced representation of different authorities among 28 member states of EU. The Committee of the Regions is made up of 350 members representing the regional and local authorities of the 28 Member States of the European Union. It issues opinions sought on the basis of mandatory (as required by the Treaties) and voluntary consultation and, where appropriate, own-initiative opinions. Its members are not bound by any mandatory instructions. They are independent in the performance of their duties, in the European Union’s general interest. It is perceived as one of the European Institutions where regional presence among the staff is obviously realized.

The package of competencies that Treaty of Lisbon gave to CoR creates different opportunities for this institution to play a crucial role on regional perspectives.

Our point of view related to the way how members of CoR must act, raise up one question: *How can CoR members behave in order to highly influence on the decision of other European institutions?* Through an anonymous questionnaire in 2012 Piattoni finds out the wide majority of CoR’s members see themselves as political representatives more than consultants, having much more continuous contacts with ordinary citizens rather than lobbyists – which are anyway important partners to almost 40% of the respondents. Additionally, they perceive their role not only as representatives of their regional and local democratic constituents, but more generally as representatives of all regions and local authorities of Europe and of their European political group.¹ CoR must be a very active institutions when it comes to decision making process.

The impact that CoR has produced towards regional policy making consists as following:

- CoR as an arena of regional analysis of EU;
- CoR addressing a case to European Court of Justice;
- CoR members must act like powerful lobbyist more than only local/regional representatives.

4. The Cooperation of European Committee of the Regions with other Useful Structures

CoR has the right to implement mandatory consultation and voluntary one when it comes to the legislative process.

The Council and the Commission are required to consult the Committee of the Regions before taking decisions on matters concerning:

¹ Riccardo Trobbiani, *European regions in Brussels: towards functional interest representation?* Department of European Political and Administrative Studies, College de Europe, No 53/June 2016, p. 19.

- education, vocational training and youth (Article 165 TFEU);
- culture (Article 167 TFEU);
- public health (Article 168 TFEU);
- trans-European transport, telecommunications and energy networks (Article 172 TFEU);
- economic and social cohesion (Articles 175, 177 and 178 TFEU).

These areas are considered to be the most important for the development of local democracy. For the other issues, CoR has the right of the voluntary consultation. If CoR does not give a feedback during the limit period of time given by the other institutions, they have the right to proceed without CoR's opinion.

The question that comes immediately: *What happens if CoR builds the practice of silence for many regional issues? Is there a penalty to be applied in?*

According to the legislation of EU, there is no penalty system if CoR does not give opinions, but on the other hand, there is a macro mechanism of the functioning and reputation of this institution, that does not find it easy to create this the "practice of silence".

Collaborating and being in touch with many EU institutions, CoR has created many visible mechanisms in order to spread up and implement properly the information related to the local and regional authorities. Many agreements are reached with other important actors of local democracy in EU.

In the framework of this paperwork, we will bring up the official relation between CoR and Congress of Local and Regional Authorities. Despite that these institutions are part of different international structures, they both share European values, and often they share the same problems and perspectives. Each of 28 member states of EU is also a member state of Council of Europe. The mission of these two institutions is to improve democracy into the local and regional level of different countries.

It is obvious that these two institutions would have come into a common agreement to realize the local democracy mission through the terms of collaboration.

"We must forge closer links between the Congress and the Committee and work for establishing a true "proximity democracy" in Europe. In this process, citizens are to be taken on board and not left behind, we have to think how citizens' initiatives, citizens' consultations and citizens vote can better function", underlined the Congress President.

The Group agreed to present to the respective Bureaux a revised cooperation agreement between the two institutions that can allow creating additional synergies and avoid duplication and decided to organize a joint event in 2019, on the occasion of the 25th anniversary of both institutions, to discuss the contribution of the local and regional authorities for the functioning of a democratic Europe, based on solidarity, the rule of law and human rights.¹

Finally, we had this agreement on March 2018, on the 34-d session of the Congress of Local and Regional Authorities. This agreement does not only force the terms of collaboration, but also prevents the confusion between citizens and member states, to follow and obey to the common perspectives when it comes to their local and regional realities. Congress of Local and Regional Authorities and Committee of the Regions belong to different international organizations, but they do share local and regional development as a common competence. It would be better that both institutions would coordinate their

¹ <https://www.coe.int/en/web/congress/-/congress-and-committee-of-the-regions-discuss-co-operation-priorities>, latest seen on September 2018.

work in order to produce coherent policies for EU countries. The collaboration between these two institutions must not disorientate EU countries related to local and regional authorities.

It is a very meaningful achievement that these two institutions has been connected with each other finding common challenges about regions in Europe, but the level of this collaboration should be measured through real institutional capacities. Each EU country has different representatives on these two institutions. On the following table, we are giving both sides of the medal what brings out this for EU nationalities and regions:

	Positive achievements	Negative impressions
1.	This means that for a region, local community and EU country there are many representatives that will represent better the voice of regions, identifying problems etc	Different representatives of regions to different institutions may confuse communities in order where to address their problems. Maybe, in the framework of this agreement, could be created a compulsory system that these representatives will be institutionally connected with each other in order to create disorientating situations for their communities, regions and the level of policy making, too
2.	As many representatives that we have for regions, much more we can expect in the terms of solution	This may take more time to reach the solution. As many stakeholders being involved in a decision making process, more time and issues need to be handled
3.	It is better to address problems, challenges and other issues of regions in two different institutions, because you get support from more than one institution as a stakeholder	Representatives of both these institutions (national delegations) must create and work on a joint network of stakeholders supporting nationalities/regions/local communities
4.	The solution must come as joint initiatives/projects from the Congress and CoR	The agreement done recently should establish further steps of collaboration. The representatives must understand and act concretely on their decision making in order to coordinate their work towards a region. Maybe the mechanism of joint reports/meetings/impact assesment

Another approach that we have faced studying EU institutions for local and regional development is the possible scenarios on changing the competence profile of CoR to realize regional Smart Specialization:

I. Giving CoR equal competencies like other institutions of triangle decision making system.

II. Making CoR one of the Chambers of European Parliament.¹

Some of the researchers value that it would be something else if CoR would have the same competencies as European Commission, Parliament and Council have in the decision making process, because this will put their voice in an equal position and on the other side will increase the level of trust from local communities bringing their voice easily into this institution. The other alternative consists on the fact that if CoR would be one of the Chamber of the Parliament, this could be a mechanism to be closer to the community voice. European Parliament is the only institution that its members are elected directly from EU citizens. Maybe this choice could help to have flexible and fast solutions for regions issue. Producing better impact and outputs on regional development is not only a matter of intervention on the structure or competence of CoR, but it is mainly an issue on how can members of CoR be more powerful

¹ Petr Kaniok Lenka Dadova, *Committee of the Regions: From Advisory Body to the Second Chamber of the European Parliament?* Transylvanian Review of Administrative Sciences, No. 40 E/2013, pp. 114-136, <http://eds.a.ebscohost.com/eds/pdfviewer/pdfviewer?vid=0&sid=1c895505-5875-4d20-97bc-d57d492a26c7%40sessionmgr4007>, last seen on April 2019.

with their work towards regions. CoR members must properly use the competencies given from EU law in order to realize regional agenda as the heart of EU.

The relation between CoR and Congress of Local and Regional Authorities must be concretely established, but in order that this institution could play a crucial role in the regions reality of EU, it must be highly active when collaborating or pushing out European Commission. EU Commission being the mainly legislative initiator, CoR must be highly active by being present and critical when EU Commission is drafting laws on EU.

If we imagine the role of CoR with other institutions, we can highlight that CoR needs to be more active with other institutions:

- inside EU: a higher presence and collaboration with EU Commission;
- outside EU: a joint working destination with Congress of Local and Regional Authorities.

Conclusions and Recommendations

This paper has the following conclusions and recommendations:

1. Local and regional development is considered to be an issue to be managed from each institution of EU when having a decision making process. During these recent years, EU institutions have considered regions as a priority on their competencies.
2. The compulsory collaboration of other EU institution with European Committee of the Regions create higher possibilities to produce a common decision making by having powerful decisions on regional development.
3. EU policy has put regional development on a specific budget voice (European Commission). It estimates about 40 % of the total budget of EU.
4. CoR members must act like powerful lobbyist more than only local representatives. This attitude is recommended by different researchers in order to strengthen their role on decision making process.
5. Despite that CoR does not have legal penalties if it does not respond to a draft proposal or decision making towards regional development, it has other “political penalties” if it keeps practising “silence voice”.
6. Some of the possible scenarios in order to strengthen CoR role in the process is to give to this institution equal legal powers like other institutions on the triangle process or making CoR as a second Chamber of EU Parliament. Making CoR equal powerful with other EU institutions can strengthen regions voice in the decision making.
7. If we imagine the role of CoR with other institutions, we can highlight that CoR needs to be more active with other institutions:
 - inside EU: a higher presence and collaboration with EU Commission;
 - outside EU: a joint working destination with Congress of Local and Regional Authorities.

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