

Changing the way the EU works: Regional parliaments launch initiative to strengthen their role in EU law- making



European Committee of the Regions to coordinate debates across regions to the EU legislative process

□The European Committee of the Regions ([CoR](#)) and the Conference of European Regional Legislative Assemblies ([CALRE](#)) launched a pilot project today to strengthen the involvement of regional parliaments with legislative competences in the EU legislative process.

The initiative “Input from political debates in regional parliaments” was launched today during the [9th Subsidiarity Conference](#) held in the Italian Senate in Rome. The topics of the regional debates held across Europe will be used to feed the EU legislative process early on during the drafting of the annual European Commission [work programme](#). The Committee – the EU’s assembly of local and regional governments – will oversee the project, collating input, thereby ensuring the implementation of the principle of subsidiarity and that decisions are taken as close to citizens, with the EU only acting when it is viewed as being more effective than at the national, regional or local level.

The Committee’s President **Karl-Heinz Lambertz**, who is also President of Belgium’s German-speaking Community Parliament, said: “This initiative fires the starting gun on involving regional parliaments’ in EU policy making at an early stage. This project comes at a perfect moment just before the EU launches its Conference on the Future of Europe to reconnect with its citizens. We need to maximise the impact of every EU law by involving the right level of government – including those closest to citizens – regions and cities – throughout the policy-making to ensure they impact on daily life. The outcome of these regional parliament debates will be shared with the European Commission and contribute to future policy-making. It is not about less Europe, but an effective Europe that delivers results, putting citizens first”.

The President of the Italian Senate **Maria Elisabetta Alberti Casellati**, opened the conference and stressed how urgent is for the European Union and its Member States to provide adequate answers to citizens requests of counting more in EU decisions.

The initiative was endorsed by **Antonio Tajani**, Chair of the European Parliament’s Committee on Constitutional Affairs: “The pilot project goes in the right direction and aims at a stronger involvement of regional

parliaments in EU decision making. Regions' role is vital in implementing EU policies ranging from agriculture to tourism, from transport to health. Regional councillors should be part of the forthcoming Conference on the future of Europe, which will be called by President von der Leyen next year. Only by involving democratically elected representatives can we bring EU institutions closer to citizens" he said.

A priority that is fully shared by the coordinator of the Italian association of the Presidents of regional councils **Rosa D'Amelio**: "The Legislative Assemblies of regions are ready to contribute to the process of the Conference on the future of Europe which must be the embryo of a true European public space".

The input from regional parliaments during this project will be used to contribute to the early stage of EU decision-making. All EU regional parliaments with legislative power are welcome to participate the project "by contacting the CALRE secretariat (calre2020@parcan.es) by **24 January 2020**. Participating parliaments will be selected shortly after the closing date with debates expected to take place between 1 March and 15 May 2020.

It complements another project being organised by the Committee – the [Regional Hubs](#) (RegHubs) project launched in 2019 – where 36 regions are assessing the effectiveness of a selected number of EU policies currently being implemented like public procurement and air quality.

Note for Editors:

The **Subsidiarity Conference** is led by the European Committee of the Regions every two years with the aim of boosting the momentum of inter-institutional subsidiarity monitoring work and allowing real dialogue between all partners involved in the subsidiarity monitoring process. The Rome event is the ninth of these conferences, each of which has been held in a different EU Member State.

Subsidiarity ensures that the EU can only act when it is more effective than the national, regional or local levels in tackling certain issues. It is about ensuring that there is sufficient added value in all the EU's actions.

The concept of Active Subsidiarity is a new way of working that takes the traditional approach to subsidiarity a step further. It encourages all institutional, national and sub-national actors to contribute constructively to improving the added value of EU legislation throughout the policymaking cycle. The Active Subsidiarity approach was proposed by the CoR during the [Task Force on Subsidiarity, Proportionality and Doing Less More Efficiently](#) established by the current European Commission President Jean-Claude Juncker in November 2017 and chaired by Vice-President Frans Timmermans. The concept of Active Subsidiarity was taken up in the [European Commission's Communication on the principles of subsidiarity and proportionality in October 2018](#) .

Lousada wins 2019 Transformative Action Award



The Portuguese city was awarded the title for using environmental education to reconnect local residents with their rural landscape, while promoting environmental practices

Lousada was announced today as the winner of the [2019 Transformative Action Award](#) at a ceremony held at the European Committee of the Regions (CoR) in Brussels. Its initiative 'Integrated education for sustainability' was selected by a jury of experts for its potential to bring about the socio-cultural, socio-economic and technological transformation of its community. The European sustainability award is organised by ICLEI, the Basque Country and the City of Aalborg (Denmark) and supported by the CoR and the European Investment Bank (EIB).

Lousada is a densely populated municipality in rural Portugal. However, despite its rural setting, there is in general a low appreciation for the importance of nature among residents. The City is facing numerous environmental problems, such as water pollution, forest fires, invasive plant species, habitat and landscape degradation, and biodiversity loss.

Since 2017, the municipality has used a sustainability strategy structured on several axis – research; environmental education; social engagement; and infrastructure. The aim was – to promote environmental practices, inspire and support alternative ways of creating conservation areas and job opportunities, and reconnect local citizens with the rural landscape.

Some of the results achieved include the planting of 40,000 native trees with the support of over 4,500 volunteers; the restoration of over 20 hectares of degraded land; the creation of more than 20 wildlife ponds; and an increase in waste recycling by over 500 tonnes per year.

“ Natural and social capital are the true and only assurance for our common future. We must act together, fight together, educate together and create our future together, for us and the generations to come, ” said **Manuel Nunes, City Councillor for Environment and Nature, Municipality of Lousada .**

“Congratulations to the Municipality of Lousada!” said **Cor Lamers, ENVE Commission Chair and jury member** during the award ceremony. *“Your inspiring transformative action illustrates the powerful role environmental education plays in promoting environmental practices, supporting the creation of conservation areas and environmental job opportunities, as well as reconnecting local citizens with their rural landscape .”*

Alongside receiving a trophy and the title of “Transformative Action of the

Year 2019”, Lousada also received €10,000 to help kick-start further transformative actions in their city.

“ I am deeply impressed by the work carried out by the City of Lousada and eagerly look forward to seeing how their sustainability strategy and plans develop over the coming years. I hope this prize money helps catalyze further action and I look forward to seeing those results ,” said **Wolfgang Teubner, Jury Member and Regional Director, ICLEI Europe.**

During the award ceremony, a new [guidance document](#) for towns and cities seeking to localise the Sustainable Development Goals (SDGs) was launched. The document, which was written by ICLEI with the support of the City of Aalborg, and the Basque Country, provides towns and cities with 15 inspiring and replicable examples of how the pathways of the Basque Declaration can be used to localise the SDGs.

“The need for transformation towards sustainability has never been as urgent. We need a technological, socio-economic and socio-cultural transformation of our societies in order to limit catastrophic environmental consequences and ensure a decent quality of life for all. This publication shows the ability and potential of the local level to act, whilst contributing to the implementation of the Sustainable Development Goals on a global level,” said **Mr. Teubner.**

For more information about Lousada’s winning transformative action, click [here](#) .

Background:

[ICLEI – Local Governments for Sustainability](#) is a global network of more than 1,750 local and regional governments committed to sustainable urban development. Active in 100+ countries, we influence sustainability policy and drive local action for low emission, nature-based, equitable, resilient and circular development. Our Members and team of experts work together through peer exchange, partnerships and capacity building to create systemic change for urban sustainability.

The [European Sustainable Cities Platform](#) was launched in 2016, following the [8th European Conference on Sustainable Cities & Towns in the Basque Country](#) . Supported by the City of Aalborg, Denmark; the Basque Country, and ICLEI Europe, it focuses on the uptake of the [Basque Declaration](#) , which is the main outcome of the 8th European Conference on Sustainable Cities and Towns. The [9th European Conference on Sustainable Cities & Towns](#) will take place from 30 September – 2 October 2020 in Mannheim (Germany).

The [Basque Declaration](#) outlines new pathways for European Cities and Towns to create productive, sustainable and resilient cities for a liveable and inclusive Europe. The document aims to support and accelerate socio-cultural, socio-economic and technological transformation.

The Basque Declaration is the next step for local sustainability following the [Aalborg Charter](#) (1994), which celebrates its 25th anniversary this year,

and the [Aalborg Commitments](#) (2004). The Basque Declaration highlights the need for ambitious local leaders to think outside the box and find innovative ways to engage with civil society in order to meet economic, environmental and social challenges and at the same time marks the importance of finding sustainable solutions that increase economic value for the benefit of the local population.

Image(s):

Here are a selection of downloadable images related to Lousada's transformative Action

[\[1\] Group photo](#) © Municipality of Lousada, Portugal

[\[2\] Planting trees](#) © Municipality of Lousada, Portugal

[\[3\] Nature walk](#) © Municipality of Lousada, Portugal

[\[4\] Cleaning the river](#) © Municipality of Lousada, Portugal

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[Christine Lagarde: The future of the euro area economy](#)



SPEECH

Speech by Christine Lagarde, President of the ECB, at the Frankfurt European Banking Congress

Frankfurt am Main, 22 November 2019

It is a pleasure to be speaking here this morning at the European Banking Congress. This is my first opportunity to meet the mayor and Frankfurt's financial community – and I am sure it will be the first of many.

T.S. Eliot said that “every moment is a fresh beginning” and it certainly feels that way for me today. But in many respects it feels that way for Europe, too. The theme of this year's programme is “Europe: New Approaches”, and that seems very fitting.

The idea of European renewal may, for some, elicit feelings of cynicism. We have heard it many times before: “Europe is at a crossroads”; “now is Europe's moment”. Often that has not proven to be the case. But this time does in fact seem different.

Turnout at the latest European elections was the highest in a quarter of a century. A new Commission is about to begin its term with an agenda to strengthen Europe in areas like environmental policies, digitalisation and defence. Discussions are moving forward on completing banking union and building a capital markets union.

This is essential because, all the while, the world around us does not stand still.

In recent years, the global environment has been transformed in ways that none of us could have imagined. We have seen the post-war global order fracturing, the rise of new – and some old – powers, rapid changes in

technology, and an uncertain outlook for global trade and finance.

Uncertainty abounds and conventional wisdom is being challenged, in politics, in diplomacy and in economics. And, unavoidably, this calls on Europe to consider its place in the world and reset its ambitions.

In my remarks, I would like to focus on the economic dimension of this question. As the global economy evolves, how can Europe best position itself?

Challenges in the global economy

This question is prompted by two main challenges in the global economy today.

The first relates to the changing nature of world trade, which has multiple causes.

Ongoing trade tensions and geopolitical uncertainties are contributing to a slowdown in world trade growth, which has more than halved since last year. This has in turn depressed global growth to its lowest level since the great financial crisis.

These uncertainties have proven to be more persistent than expected, and this is clearly impacting on the euro area. Growth is expected to be 1.1% this year, i.e. 0.7 percentage points lower than we projected a year ago.^[1]

At the same time, there are also changes of a more structural nature. We are starting to see a global shift – driven mainly by emerging markets – from external demand to domestic demand, from investment to consumption and from manufacturing to services.^[2]

In parallel, world trade is being reordered as new technologies disrupt conventional supply chains and workplace organisation, and as potential new risks emerge from climate change.

All this obviously has implications for our external sector, not least because the euro area's exports are intense in capital and intermediate goods.

It suggests that Europe needs to innovate and invest to respond to these challenges and preserve its competitiveness in the longer run. But it also suggests that the high rates of trade growth that we are used to seeing are no longer an absolute certainty.

The second challenge relates to domestic growth in advanced economies.

Advanced economies are in the midst of a long-term deceleration in growth rates, which have roughly halved since the late 1980s. This is reflected in the long-term decline of global interest rates. As growth rates are a fundamental driver of interest rates, even countries that have tried to raise interest rates have gradually lowered them again.

Supply-side factors, such as productivity and demographics, are clearly one driver behind this. Labour productivity growth has fallen by almost two-

thirds in advanced economies since the early 1990s. In 2015, there were four working-age people for every person over the age of 65 in advanced economies. By 2050, that ratio will be less than two to one.

But there is evidence that demand-side factors are playing a role as well.

In the euro area, domestic demand has contributed to the recovery, helping to create 11.4 million new jobs since mid-2013. But over the past ten years, domestic demand growth has been almost 2 percentage points lower on average than it was in the decade before the crisis, and it has been slower than that of our main trading partners.^[3]

This is reflected in the shift in our current account position, which has moved from being broadly balanced before the crisis to showing a surplus since, as well as in the relatively subdued performance of underlying inflation.

So, these twin external and domestic challenges call on us to consider – as Europeans – how we should respond to the new environment.

The answer lies in converting the world's second largest economy into one that is open to the world but confident in itself – an economy that makes full use of Europe's potential to unleash higher rates of domestic demand and long-term growth.

There are two reasons why this would be beneficial: *resilience* and *rebalancing*.

Resilience and rebalancing

Resilience rests on two pillars. It relies on having firms that are competitive globally and can export to the world when domestic growth falls; and it relies on having a strong internal economy which can sustain demand when the global economy weakens.

Open trade is therefore a platform for resilience, as we saw clearly during the sovereign debt crisis. From 2010 to 2013, the share of extra-euro area goods exports in GDP increased by about 20%, while the share of intra-euro area exports grew by just 5%.

The global competitiveness of many euro area firms was a vital shock absorber in that period, and the benefits were spread across the monetary union via value chain linkages. Without a strong export sector, our crisis would plainly have been worse.

At the same time, it is also clear that stronger domestic demand puts economies in better position to withstand swings in the global business cycle and disruptions in world trade – like those we are seeing at the moment – and to keep their growth trajectories on course.

One sign of this can be found by looking at the correlation between global growth and domestic growth over the past 40 years for countries with

different trade exposures, as captured by their current account positions.

It turns out that the group of surplus countries tends to grow faster than the world economy during periods of global upswings, but also to contract more sharply during periods of global downturns. For the group of deficit countries, the opposite is the case.^[4]

And when global growth falls, stronger internal demand can help protect jobs, too. This is because domestic demand is linked more to services – which are more labour-intensive – while external demand is linked more to manufacturing, which is less labour-intensive.^[5]

We are seeing that shield in action in the euro area today: the resilience of services is the key reason why employment has not yet been affected by the global manufacturing slowdown.^[6]

But there is also a second benefit to strengthening the domestic economy, which is that it facilitates *rebalancing*. More dynamic internal growth offers a way to improve the functioning of the euro area and to accelerate crisis recovery.

Since countries in a monetary union do not have their own exchange rates, they have to adjust to crises through prices. This is easier to achieve when growth is strong at the euro area level and inflation is in line with the ECB's objective. Adjusting countries can quickly improve their relative prices and export more to other members of the union.

But if internal demand is too weak and inflation too low, such rebalancing across countries obviously becomes harder. And to some extent, this is what we saw in the euro area after the crisis. As demand was stronger in our trading partners, vulnerable countries had to reverse their imbalances mainly by increasing net exports outside the euro area.

Importantly, strengthening internal growth is fully consistent with all countries maintaining their competitiveness. If countries boost growth by investing in productive areas of the economy, it not only lifts demand in the short run. It also provides the ingredients for maintaining competitiveness in the face of long-run global challenges.

So the question is, what can public policies do to further develop our domestic demand and growth potential, while also encouraging dynamic and globally competitive firms?

Policies to boost internal growth

In my view, since our challenges are common ones, we must meet them with a common response. This involves moving towards a new European policy mix, which has a number of key elements.

The first is monetary policy, which I start with because it is my area of responsibility and which will undergo a strategic review due to begin in the near future.

The ECB's accommodative policy stance has been a key driver of domestic demand during the recovery, and that stance remains in place. As laid out in the ECB's forward guidance, monetary policy will continue to support the economy and respond to future risks in line with our price stability mandate. And we will continuously monitor the side effects of our policies.

But it is clear that monetary policy could achieve its goal faster and with fewer side effects if other policies were supporting growth alongside it.

One key element here is euro area fiscal policy, which is not just about the aggregate stance of public spending, but also its composition. Investment is a particularly important part of the response to today's challenges, because it is both today's demand and tomorrow's supply.

While investment needs are of course country-specific, there is today a cross-cutting case for investment in a common future that is more productive, more digital and greener.

Public investment in the euro area remains some way below its pre-crisis levels. The share of productive expenditure in total primary expenditure – which in addition to infrastructure includes R&D and education – has also dropped in nearly all euro area economies since the crisis.^[7] And new investment needs are emerging.

Both national policies and European programmes like InvestEU have a role to play. And the Budgetary Instrument for Convergence and Competitiveness is also a good start. This tool acknowledges that, even when governments need to consolidate their finances, we have a common interest in maintaining sufficient levels of public investment.

But a stronger domestic economy also rests on higher business investment, and for that raising productivity is equally important. Firms need to be confident in future growth if they are to commit long-range capital.

Though all advanced economies are facing a growth challenge, the euro area has been slower to embrace innovation and capitalise on the digital age than others such as the United States. This is also reflected in differences in total factor productivity growth, which has risen by only half as much in the euro area as it has in the United States since 2000.

To help us close this gap, we have a very potent tool at our disposal: empowering our internal market. The private sector calls it: scale.

Completing the digital single market, the capital markets union and the single market in services can provide the impetus Europe needs to launch new and innovative firms and to spread new technologies faster around the union. These are the building blocks of the European economy of the future.

And the projected gains are significant: new studies find that the full implementation of the Services Directive would lead to gains in the order of €380 billion^[8], while completing the digital single market would yield *annual* benefits of more than €170 billion.^[9]

This growth dividend would in turn help close the circle with public investment by ensuring that public debt is sustainable.

Finally, empowering our internal market also means completing our Economic and Monetary Union. The design of EMU – and in particular the balance between risk reduction and risk sharing – is closely linked to the propensity to save and spend in Europe.

On the one hand, a monetary union focused too much on risk sharing is likely to produce moral hazard and too little saving, which harms the union as a whole. But on the other hand, prioritising risk reduction alone is likely to lead to the opposite problem: excess saving and fragile growth as countries are forced to self-insure by running persistent surpluses.

The solution to the famous “paradox of thrift” is institutions. Good institutions exist to ensure that people are not forced into actions that are rational at the individual level but self-defeating collectively.

So, completing EMU is about finding the right trade-off: enough protection against moral hazard to discourage under-saving, but enough mutual insurance to prevent over-saving. In this way, we could tap into new sources of growth that would otherwise be suppressed. And, in the spirit of this conference, that would truly represent a “new approach” for Europe.

Conclusion

Let me conclude.

We face a global environment that is marked by uncertainty. But I believe that, if we approach this challenge in the right way, it can also be a moment of opportunity.

We have a unique possibility to respond to a changing and challenging world by investing in our future, strengthening our common institutions and empowering the world’s second largest economy.

All of this would be a game changer, not just for our own stability and prosperity, but for that of the global economy, too.

It does require us to think differently about Europe. It will almost certainly not be easy. But as St Francis of Assisi once said, “Start by doing what’s necessary; then do what’s possible; and suddenly you are doing the impossible”.

[Article – The new Parliament and the](#)

new Commission



They in turn voted on 16 July 2019 to elect Ursula von der Leyen as president of the European Commission, the first woman to hold the post.

She will put a team together based on nominees from national capitals – commissioners-designate – whose competence and abilities MEPs will examine in a series of parliamentary committee hearings in late September/October.

Once this is done, MEPs will vote on the full College of Commissioners at the end of October.

The legitimacy of the Commission and of its President therefore rests on the legitimacy of Parliament and the democratic election of its members.

[Find out more about the European election results and the political composition of the new Parliament](#)

Article – Parliament to vote on new European Commission



The plenary vote on Wednesday would bring to an end the [long process of careful examination](#) by Parliament of the proposed team of commissioners. Its objective was to ensure that the EU's executive body has the democratic legitimacy to act in the interest of Europeans.

MEPs [elected Ursula von der Leyen as Commission president](#) in July. Then, from the end of September to mid-November, parliamentary committees organised [hearings](#) with each of the nominees to judge their suitability for their proposed post.

On 21 November political group leaders and Parliament's president Sassoli agreed that the process of examination had been completed and that Parliament is ready to hold the final plenary vote.

On Wednesday 27 November, President-elect Ursula von der Leyen will present her team and the new Commission's programme. Following a debate, MEPs will decide by simple majority whether to elect the Commission or not.

If approved, the new Commission will start work 1 December.

Watch the debate and the vote live on [our website](#) or on our [Facebook page](#).