



Conference
Innovation for Good Local and Regional Governance
A European Challenge

Conclusions and Recommendations



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Innovation for Good Local and Regional Governance A European Challenge

Institute for Governance Studies at the School for Management and Governance
of the University of Twente in cooperation with

- Ministry of the Interior and Kingdom Relations
 - Province of Overijssel
 - Region Twente
- Municipality of Enschede



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Conference Programme



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Geert Jansen (LLM)

Queen's Commissioner
for the Province of Overijssel

At the 15th Conference of Ministers with Responsibility for Local and Regional Governance of the Members of the Council of Europe, held in Valencia in 2007, it was decided to organise the next conference in the Netherlands in 2009. The conference themes were to be 'Good local and regional governance' and 'Transborder cooperation'. Since these are both highly topical themes in our province of Overijssel, we contacted the University of Twente, as well as the City of Enschede, the Twente Regional Administration Body and the Ministry of the Interior with a proposal to organise an academic conference in the Province of Overijssel in preparation for the Conference of Ministers. The University of Twente (Institute for Governance Studies) subsequently undertook to organise such a conference in collaboration with the partners mentioned. I am grateful to the University for taking this initiative.

The conference took place at Enschede on 2 and 3 April 2009 under the title of 'Innovation for Good Local and Regional Governance – A European Challenge'. The aim was to raise academic interest in the key themes of the Budapest Agenda (2005) concerning good local and regional governance. We offered a platform enabling leading academics and prominent persons from non-central administrative practice to exchange ideas and to isolate and define key trends and problems facing the Member States of the Council of Europe at the sub-national level. Thus, the conference was to contribute to the important debate concerning the quality of local and regional governance in Europe.

The conference was attended by more than 140 participants from some 20 Member States of the Council of Europe, with a favourable balance between representatives of the academic world and administrative practice.

At the close of the conference, the organisers asked me to pass on the conference results, on their behalf, to the Conference of Ministers in Utrecht. I was honoured to accept this task and have been able to submit a written report to the Dutch Minister of the Interior and to the State Secretary for European Affairs.

The written report was worked into the publication which is now before you. In it, you will find the conclusions and recommendations resulting from the various workshops, against the background of the keynote speeches by Prof. John Loughlin on recent developments in local and regional governance, and by the Finnish Minister of Internal Governance, Ms Mari Kiviniemi, on the role of the Council of Europe in promoting good local and regional governance.

The conference discussions comprised the two main themes of the Utrecht Conference of Ministers:

- good local and regional governance;
- transborder cooperation.

In addition, a separate conference section was devoted to the consequences of the current financial and economic crisis for local and regional governance.

The first, very wide-ranging theme, viz. 'Good local and regional governance', was discussed in three separate workshops:

- 'Renewing democratic participation' (Prof. Kees Aarts and Prof. Bas Denters);
- 'Local and regional governments in the age of Europeanisation and globalisation: legal and policy options in a multilevel polity' (Prof. Ramses Wessel and Prof. Michiel Heldeweg);
- 'Local and regional finance, public service provision and financial management' (Prof. Nico Mol and Mr Johan de Kruijf (MA)).

One overarching theme at these workshops was the concern about the possible erosion of local and regional governance and citizen participation as a consequence of the economic crisis, particularly in relation to the allocation of tasks and funding. Central government interventions might have negative effects both on the autonomy of local and regional authorities and their initiatives in tackling the crisis with their local and regional economic partners.

The fourth workshop, chaired by Prof. Nico Groenendijk, was devoted to the second theme of the Utrecht Conference of Ministers, transborder cooperation.

This workshop, entitled 'New forms of transborder and inter-territorial cooperation', dealt with the various phenomena involved in transborder cooperation, its added value, as well as the success factors and legal aspects. On the basis of the experiences gained to date, the recommendations mainly concerned possibilities for the Council of Europe to further develop and strengthen transborder cooperation between local and regional authorities.

From my own experiences in public administration I would like to emphasise the importance of interaction between administrative practice and academic public administration programmes at the European level. Academic researchers are free to reflect critically on the manner in which public authorities handle the principles of good democratic governance as formulated, among other institutions, by the Council of Europe. Administrators may benefit from such critical reflection, while at the same time revealing the areas of tension between theory and practice to the academic community on the basis of practical case studies. Thus, it is of great importance to ensure, via the Council of Europe, that, rather than remaining a once-only event, the Enschede Conference will be able to 'pass the baton' to other universities.

It is my sincere hope that this publication will contribute to a fruitful discussion at the Utrecht Conference of Ministers on how to involve citizens more closely in good, democratic regional and local governance. There can surely be no doubt that such involvement, particularly in these times of crisis, is a vital precondition for the sound functioning of European democracy.



Prof. Dr. Bas Denters

Chairman of the Organising Committee

Professor of Public Administration

Institute for Governance Studies

University of Twente

On 16-17 November 2009 the Conference of Ministers responsible for Local and Regional Government will convene in Utrecht (the Netherlands). The Ministerial Conference will focus on two major themes:

- Good governance in the 21st century – at local and regional level;
- Transfrontier cooperation.

In preparation for this Ministerial Conference, the Province of Overijssel and the Institute for Governance Studies at the School for Management and Governance of the University of Twente have initiated an academic pre-conference. This conference **Innovation for Good Local and Regional Governance - A European Challenge** was staged at the Campus of the University of Twente, Enschede (the Netherlands) on 2-3 April 2009.

This event was organized in close cooperation with the Dutch Ministry of the Interior and Kingdom Relations, the Steering Committee on Local and Regional Democracy (CLRDR) of the Council of Europe (CoE), the Region of Twente and the City of Enschede. As chair of the organizing committee I am grateful to all these organisations for their generous support for this initiative. But institutions are abstract entities and they cannot "act" independent of people of flesh and blood. It is therefore pertinent also to express my gratitude to all those numerous people who have made this event possible. In the light of the many hands that have made this conference possible, I will resist the temptation of thanking any of these people personally, however valuable their individual contribution.

The aim of the academic conference was twofold. First, to inspire academic interest in the major themes of the Council of Europe's Agenda regarding Good Local and Regional Governance, and to provide a forum where leading academics and prominent practitioners involved in the innovation of local and regional governance can exchange their ideas and define the major trends and issues and their implications for the governance challenges facing subnational governments in the Council's member states. From this first angle, as several speakers declared during the closing session of the conference, this conference may already be considered a major success.

But the conference also had a second, more ambitious objective: to provide concrete inputs to be used in drafting the Utrecht Agenda to be concluded at the Ministerial Conference in Utrecht (16-17 November 2009). This publication, in addition to the keynote speeches by Ms Mari Kiviniemi (Minister of Public Administration and Local Government, Finland) and prof. dr. John Loughlin (University of Cardiff, UK), presents an overview of the results of this conference. As chair of the organizing committee of this conference and on behalf of all those who have contributed to this event, I hope that this publication will also contribute to the success of the academic conference from this second perspective.



Summary of Recommendations

Note:

For clarifications and considerations please refer to the full text of the Conference Report

Renewing democratic participation

1. The Council of Europe (CoE) should make a comparative, pan-European inventory of measures taken to enhance turnout (and their effects) at the subnational level, in order to establish a catalogue of good practices.
2. In order to monitor developments in the quality of local and regional democracy, and to stimulate cross-national learning, the CoE should explore the possibilities of developing a common framework for the collection of data for the purpose of monitoring and benchmarking participatory arrangements and their democratic effects. This should be done on the basis of already available national and cross-national initiatives.
3. If the development of such framework is successful the CoE should subsequently promote the development of a database with cross-nationally comparable data on democratic arrangements and their democratic effects and the use of this database for international lesson-drawing.
4. With regard to the position of foreigners, those member states of the CoE that have an interest in this theme should have an exchange of good practices, for instance through organizing a 'thematic workshop' together with the Council of Europe. Likewise similar 'thematic workshops' might be considered for other groups who "have greater difficulty becoming actively involved or who, de facto, remain on the sidelines of local public life" (Rec 2001-19).
5. Subnational governments should clearly define the scope of citizen involvement (status: ranging from informative to decisive) to all participants and also ensure that this scope is in agreement with the role that the directly elected local or regional assembly line wants to play in the decisionmaking process. This implies this assembly has to be involved in the decisions about the organization of these participatory arrangements, before the actual participation process begins.
6. Directly elected local and regional assemblies (councils) in addition to their traditional representative role should also take on an active role as democratic auditor, by assessing the democratic quality of the democratic practices in their jurisdiction and improving the local political opportunity structure with respect to broad and equal participation for all its citizens. This role as auditor can also pertain to assessing the degree to which the local administration adequately responds to citizen inputs in direct democratic decision-making processes.
7. The CoE will develop a set of guidelines for public support of voluntary civic initiatives for community action and invites the Dutch Ministry of the Interior and Kingdom Relations to draft such a document and involve experts and interested practitioners from CoE member states in the further development of this tool.
8. Citizens charters provide a valuable tool for enhancing consumer democracy. Regarding Citizen charters, the CoE should explore potential overlap with EUPAN before initiating activities in this area.
9. The Council of Europe (in a close cooperation between the Parliamentary Assembly of the Council and the CDLR) should start an in-depth assessment of the ways in which local and regional elected assemblies and their members conceive of and perform their representative role and have adopted new role orientations and new practices in reaction to the changes in local and regional governance. Moreover the CoE encourages innovation and experimentation in the efforts local and regional assemblies make to strengthen their representative role.

Local and regional governments in the age of Europeanisation and globalisation: legal and policy options in a multilevel polity

1. The Council of Europe and its member states should:
 - a. Ensure there is a coherence between levels of governance, functions, and territories.
 - b. Clarify the responsibilities between the different levels of governance.
 - c. Respect the principle of subsidiarity, understood as bringing decision making as close to the citizen as possible.
 - d. The principle of subsidiarity, understood as bringing decision making as close to the citizen as possible.
 - e. Give priority to direct elections of decision-makers wherever appropriate and improving democratic legitimacy, accountability, openness and transparency at all levels of governance.

2. In order to implement the above objectives the Council of Europe and its member states should:
 - a. Adopt a consistent and cooperative approach in insisting on a more direct influence of local and regional actors in multilevel governance and institutionalized access to decision making.
 - b. Support networks of regions and local authorities, city twinning and joint initiatives by cities and regions to establish and implement reforms and economic projects, thereby enabling transfer of best practices between local and regional governments.
 - c. Respect and possibly further financial autonomy and decentralisation as prerequisites for the local and regional governments to be active players in the European and international stage.

3. In order to stimulate future exchanges, the Council of Europe should:
 - a. Promote structured multi-disciplinary dialogues between practitioners and academics to the enrichment of both policy making and academic research.
 - b. Promote research on legitimacy issues (in the context of connectivity to citizens) on the one hand and policy effectiveness (in the context of overlapping networks) on the other hand.
 - c. Promote that its member states and local and regional authorities have and use room for experimentation concerning new modes of multilevel cooperation, within the context of vertical but also of horizontal dialogues between local and regional governments. Experimentation in this domain might be stimulated in a manner that is similar to the Committee of Minister's "Recommendation on the participation of citizens in local public life" (Rec 2001-19; Appendix II, sub B).

Local and regional finance public service provision and financial management

1. In view of the European Charter of Local Self-Government (1985), stating that “Local authorities shall be entitled, within national economic policy, to adequate financial resources of their own, of which they may dispose freely within the framework of their powers”, it is recommended that the Council of Europe and its member states:
 - a. In as much as possible respect the subsidiarity principle in allocating resources to different levels of government.
 - b. Ensure that in as much as possible own resources of regional and local authorities are based on local taxes. Deciding upon either local taxes or grants should be based on both characteristics of the tax base and desired levels of redistribution.
 - c. Guarantee that both equalization and grant allocation systems are objective, clear, transparent, foreseeable and verifiable, non-discriminatory and laid down by law.

2. In developing public service systems, actors at different tiers of government should recognize that:
 - a. Different organizational models of public service provision should be accompanied by adequate democratic control mechanisms.
 - b. Local government’s service provision should be covered by external as well as internal performance audits.
 - c. Local governments should conduct systematic and comprehensive risk management to assess their resilience and long term sustainability.

New forms of transborder and inter-territorial cooperation at the local and regional level

1. Strengthening and intensifying cross-border cooperation within Europe is a common responsibility of all levels of government involved (regional/local authorities, nation states, supranational organisations).
2. The Council of Europe should cooperate closely in this field with other supranational organisations, including the EU, the OECD and the Association of European Border Regions (AEBR).
3. The Council of Europe should continue to aim at diminishing legal obstacles for cross-border cooperation. It should continue to make efforts to provide financial instruments and reduce differences in legislation at the national and European level. It should especially ensure that common legal frameworks as the EGTC and the EGC are compatible and flexible in their application.
4. The Council of Europe should re-enforce the ratification and transposition of the first two protocols to the Madrid convention by its member states, in order to give these instruments the greatest possible effect.
5. The Council of Europe and its member states should facilitate –both legally and financially- the carrying out of experiments in cross-border cooperation (“laboratory cross-border cooperation”, or -in Dutch- “experimenteerregio’s”), especially with regard to the administrative structures used.
6. The Council of Europe, together with other organisations, should create an effective communication structure for cross-border cooperation practices. This structure should enable all actors involved to share both new and already existing documentation, information and experiences. The exchange of “best” or “good” practices should take into account problems of transferability and should be evidence-based.
7. As intercultural understanding is a key factor to successful cross-border cooperation, the Council of Europe should strengthen its activities aimed at improving the intercultural dialogue among its members.
8. Regional and local authorities involved in cross-border cooperation should adhere to the general principles of good governance. They should aim at increasing the involvement of citizens in issues of cross-border cooperation and at increasing democratic accountability.



Workshop 1: Renewing democratic participation

Introduction

In 1820 the English philosopher James Mill proclaimed “the system of representation” to be “the grand discovery of modern times”. Now almost 200 years later, the system of political representation remains the cornerstone of the legitimacy of democratic governance throughout Europe. This is not to say, however, that representative democracy can be taken for granted. Fundamental socio-economic changes, as different as individuation and globalisation have altered both the capacities, expectations and needs of citizens and the institutional make-up and operating procedures of our governments. These changes require a fundamental reflection on the principles of representative democracy at all levels, including local and regional government.

On the one hand, citizens are increasingly capable and motivated to voice their own needs and demands vis-à-vis their governments. With rising levels of education more people have acquired politically relevant skills and a sense of political competence. Increased skills and the associated development of an increased sense of competence are likely to result in demands for more extensive opportunities for political participation in addition to voting and have extended their political action repertoire beyond the traditional modes of institutionalised forms of political participation (Denters and Rose 2005). At the same time in many CoE member states we observe a trend of declining turnout in subnational. Moreover, local and regional governments – especially in urban regions – are confronted with an increasingly diverse citizenship and an ensuing diversity in democratically relevant value orientations. This creates a number of difficult problems facing governments that want to integrate its foreign residents in the political life of the community. These changes have led to a rise of new modes of democratic participation. The increasing importance of direct forms of citizen involvement in local and regional government has been reflected in the adoption of the Council of Europe’s, Committee of Minister’s “Recommendation on the participation of citizens in local public life” (Rec 2001-19) in 2001.

On the other hand, contemporary systems of governance are increasingly characterized by cooperative arrangements between various governments (both horizontally and vertically) and between these governments and private partners from the corporate sector and the third sector. The orderly system of the welfare state, in which the central state as the principal set out the parameters for policy-making and service provision by subnational governments (agents) at the local and the regional level has gradually been replaced by a much less neatly structured system of network governance (Loughlin 2008). Central governments have relaxed some of their traditional controls on subnational governments at the same time as these local and regional governments are increasingly reliant on collaboration with non-governmental partners.

Both these developments require a rethinking of the foundations of representation in the context of local and regional democracy. On the one hand it raises the question as to how local and regional governments can best accommodate the new participatory demands of their system and integrate these new democratic arrangements in the traditional democratic infrastructure of representative democracy. We cannot ignore the question about the compatibility of the traditional representative democratic and the new participatory accountability mechanisms (Denters and Rose 2005). As Loughlin (1999:340) has aptly phrased it: ‘[m]uch thought needs to go into the kind of institutionalization necessary to make it work and to avoid conflict between the two kinds of representation’.

On the other hand, the shifts in governance – from the traditional state-centered principal agent-model to more

decentralized and network based systems – also raise new issues of democratic accountability. In the neatly traditional ordered system it was relatively clear where responsibilities rested and who should be held to account by whom. In the much more fragmented contemporary systems of governance responsibilities are obscure and there is a genuine risk of the emergence of a democratic deficit at the local and the regional level (Stoker; Denters and Rose 2005).

One of the main challenges for contemporary subnational governments is to design new modes of democratic governance that can ensure that the representative system remains the cornerstone of local and regional democracy in the 21st century. This theme of democratic renewal was the prime concern of the workshop “renewing democratic participation”. In this workshop a group of prominent academics and practitioners have presented and discussed papers. On the basis of these deliberations a number of recommendations were formulated.

Recommendations

If the system of representation is to remain the main pillar of democratic governance at the local and regional level the decline of turnout in subnational elections in many of the CoE’s member states should be cause for concern. After all, low levels of turnout tend to erode the democratically legitimized authority of directly elected local and regional assemblies. In the Council of Europe’s, Committee of Minister’s “Recommendation on the participation of citizens in local public life” (Rec 2001-19; Appendix II, sub B) the CoE has already recommended that local and regional governments should experiment with a variety of measures to increase turnout in subnational elections and to increase the influence of voters over the selection of candidates. In order to allow for the identification of evidence-based best-practices we recommend that:

- The Council of Europe should make a comparative, pan-European inventory of measures taken to enhance turnout (and their effects) at the subnational level, in order to establish a catalogue of good practices.

The workshop delegates agreed that a wide variety of **innovative methods of citizen participation** are available “to involve citizens more directly in the management of local affairs” (Recommendation on the participation of citizens in local public life” (Rec 2001-19). Moreover we appreciate the recommendations made by the CoE’s Committee of Ministers to ensure broad participation and the Council’s initiative to use the CLEAR framework as a tool for diagnosis and design of participatory arrangements. We also acknowledge the importance of the CoE’s efforts “to establish appropriate benchmarks and introduce a monitoring system for tracking any changes therein, in order to identify the causes of any positive or negative trends in citizen participation, and in order to gauge the impact of the mechanisms adopted”. We recommend that:

- In order to monitor developments in the quality of local and regional democracy, and to stimulate cross-national learning, the CoE should explore the possibilities of developing a common framework for the collection of data for the purpose of monitoring and benchmarking participatory arrangements and their democratic effects. This should be done on the basis of already available national and cross-national initiatives.

Workshop 1: Renewing democratic participation

- If the development of such framework is successful the CoE should subsequently promote the development of a database with cross-nationally comparable data on democratic arrangements and their democratic effects and the use of this database for international lesson-drawing.

The CLEAR framework underscores the importance of efforts of subnational governments in mobilizing various segments of the local citizenry into public action by informing and inviting various members of the public (ASK factor). Equal opportunities to participate for different segments of the population may require variegated mobilization strategies. This is especially pertinent in an increasingly multinational and multicultural society.

- With regard to the position of foreigners, those member states of the CoE that have an interest in this theme should have an exchange of good practices, for instance through organizing a ‘thematic workshop’ together with the Council of Europe. Likewise similar ‘thematic workshops’ might be considered for other groups who “have greater difficulty becoming actively involved or who, de facto, remain on the sidelines of local public life” (Rec 2001-19).

The CLEAR factor also points to the crucial importance of the responsiveness of local and regional governments in their dealings with citizens. The CoE’s Committee of Ministers has clearly understood the importance of this Respond-factor in its recommendations. It emphatically declares that it should be made sure that participation “has a real impact on the decision-making process, that citizens are well informed about the impact of their participation and that they see tangible results” (Rec 2001-19). An important condition for this is that all parties involved have a clear understanding of the status of the outcome of participatory forms of governance. This scope can vary from the mere provision of information to a full-fledged delegation of decision power. It is imperative that citizens, the subnational administration (both politician executive and officers), other governmental and non-governmental partners and last but not least also the directly elected members of the local or regional assembly are well aware of the rules of the participatory game. The role of the elected assembly is especially important because oftentimes this body has a statutory or even a constitutional right to have the final say in subnational decision-making. Therefore it is crucial that this body is involved in the early stages of designing the participatory arrangements and should already then decide about the proper scope of the participatory decision-making process.

- Subnational governments should clearly define the scope of citizen involvement (status: ranging from informative to decisive) to all participants and also ensure that this scope is in agreement with the role that the directly elected local or regional assembly line wants to play in the decision-making process. This implies this assembly has to be involved in the decisions about the organization of these participatory arrangements, before the actual participation process begins.

The role of the popular assemblies may also be defined more broadly (see e.g. Denters 2005). The directly elected representatives could also play a role as a democratic auditor. Because of the crucial importance of appropriate mobilization efforts and the need to respond adequately we also recommend that:

- Directly elected local and regional assemblies (councils) in addition to their traditional representative role should also take on an active role as democratic auditor (Denters, 2005), by assessing the democratic quality of the democratic practices in their jurisdiction and improving the local political opportunity structure with respect to

broad and equal participation for all its citizens. This role as auditor can also pertain to assessing the degree to which the local administration adequately responds to citizen inputs in direct democratic decision-making processes.

In addition to efforts to involve citizens directly in local political-decision-making the workshop also underlines the importance of strengthening voluntary action by citizen groups. These **voluntary civic initiatives** are an important context where citizens can develop relevant civic skills and learn democratic values, norms and attitudes.¹ Moreover, these activities can also contribute to the solution of community problems and the livability of localities. Therefore it is important that the CoE members have agreed upon the value of supporting such civic initiatives. Research into these new forms of civic engagement demonstrate that in addition to financial supports other forms of assistance by subnational governments can be crucial. In providing such support it is important to keep a good balance between commitment and distance. After all, "public" colonization of these citizen initiatives should be avoided. Currently the Dutch Ministry of the Interior and Kingdom Relations, together with different Dutch partners and the universities of Twente and Amsterdam are engaged in a variety of initiatives to learn more about ways to promote these citizens initiatives. Against this backdrop we recommend that:

- The CoE will develop a set of guidelines for public support of such civic initiatives and invites the Dutch Ministry of the Interior and Kingdom Relations to draft such a document and involve experts and interested practitioners from CoE member states in the further development of this tool.

The workshop also felt that the emergence over recent decades of new local and regional governance structures requires us to rethink traditional structures of accountability. One face of the shift from government to governance was the privatization of public services. Moreover in cases where public services were not genuinely outsourced, under the regime of New Public Management public services were oftentimes placed at "arm's length" of the previous political principals, and businesslike management concepts were introduced. At the same time new forms of **consumer democracy** have been developed, where client councils, consumer surveys, and focus groups have been used to improve the fit between local and regional public services and the needs and demands regarding these services. In our workshop we have discussed the Dutch experiences with citizen charters as an interesting instrument for consumer.

- Citizen charters provide a valuable tool for enhancing consumer democracy. Regarding Citizen charters, the CoE should explore potential overlap with EUPAN before initiating activities in this area.

But the shift from government to governance has had a broader impact. It is widely acknowledged that for an effective solution of community problems (subnational) governments is dependent on the cooperation of a wide range of public and private actors. Moreover, in recent decades through forms of functional decentralization, functional regionalization and the transfer of government tasks to third sector organisations (see also Rec 2001-19), the range of activities in in the public domain that were under the control of the directly elected local and regional assemblies has been reduced considerably. This raises important questions about the **transparency and democratic accountability of the new governance arrangements**.

¹ These civic initiatives should not be confused with popular initiatives (as a mode of plebiscitary democracy) or with agenda initiatives through which, under certain conditions, a group of citizens is given the right to put an issue on the agenda of an elected assembly.

Workshop 1: Renewing democratic participation

Although the role of governments is no longer as central as in the welfare state model, local and regional governments are still a major partner in the new systems of governance. These governments are often still in a position to make an important contribution to the democratization of new governance arrangements. This can be done either by specifying the conditions under which non-governmental organisations can perform public tasks: by setting the conditions for granting a licence, by statute, by formulating the contracts in the case of outsourcing, by policies on subsidies to third sector organisation or in making transparency and accountability issues in negotiating agreements with partners.

Municipal and regional councillors as directly elected representatives of the public, in addition to their traditional representative role, could also take on a more active role as a democratic facilitator (Denters, 2005), urging for the installation of adequate mechanisms of public accountability and responsiveness. Especially in the case of the provision of public services, where it is relatively easy to specify relevant publics, direct involvement of citizens (in their role as consumers) in securing accountability and responsiveness may be appropriate.

In doing this the council will contribute to more channels for direct citizen participation, but this does not exhaust the councillors role as a facilitator. The role of a facilitator also implies a careful specification of the decision-making rules for new arenas and the scope of the decisions made in these arenas in the broader context of local governance. Here lies an important role for community leadership (Klok and Denters 2005). Because of its democratic legitimacy and legislative primacy the directly elected assemblies are a natural candidate for playing such a role in the democratic reform of local and regional government.

In our introduction we observed that changes in systems of local and regional governments call for a fundamental reflection on the principles of representative democracy at all levels, including local and regional government. As elected representatives the role of the members of these assemblies in developing closer linkages between local and regional authorities and citizens is crucial. Therefore reflection on how these elected representatives conceive of their roles and how they perform their different tasks is timely. We therefore also recommend:

- That the Council of Europe (in a close cooperation between the Parliamentary Assembly of the Council and the CDLR) starts an in-depth assessment of the ways in which local and regional elected assemblies and their members conceive of and perform their representative role and have adopted new role orientations and new practices in reaction to the changes in local and regional governance. Moreover the CoE encourages innovation and experimentation in the efforts local and regional assemblies make to strengthen their representative role.



Workshop 2:

Local and regional governments in the age of Europeanisation and globalisation: legal and policy options in a multilevel polity

Introduction – general scope of multilevel governance

Over the past decade, globalisation and global governance have become central themes, not just in international relations and politics, but also in the study of international and national law. A likely reason for this is that the distinction between domestic and international law is less clear as soft-law rules are becoming increasingly more important and the concept of sovereignty of states is no longer self evident. Domestic legal systems – traditionally, by definition, caught in national logic – increasingly recognise the influence of international and transnational regulation and law-making on their development.

The expansion of international and European law and policy, as well as the related need to implement ever more international rules, are not restricted to national governments, but increasingly affect the regional and local administrative levels. The interactions between national and international legal and political spheres, including the European sphere for EU member states, have intensified and gained increased visibility over the last few years. It is becoming ever more difficult to draw dividing lines between the administrative levels: international decisions increasingly come to play a role in national (and EU) legal orders, whereas national (and EU) legal developments are exerting a bottom-up influence on the evolution of the international legal order. In political science and public administration, the well-known phenomenon of interacting and partly overlapping policy spheres is usually referred to as multilevel governance. These phenomena involve important questions concerning the location of power, the sharing of responsibility, the legitimacy of decisions and decision takers, and the accountability to citizens and organisations in different national, subnational and international settings.

From a legal perspective, the interactions between global, European and national regulatory spheres point to the phenomenon of “multilevel regulation”.² “Regulation” should be understood in a broad sense here, referring to the setting of rules, standards or principles that govern conduct by public and/or private actors. Whereas “rules” are the most constraining and rigid, “standards” leave a greater range of choice or discretion, while “principles” are still more flexible, leaving scope to balance a number of (policy) considerations.

The workshop on Local and regional governments in the age of Europeanisation and globalisation: legal and policy options in a multilevel polity focussed on the restraints and possibilities for regional and local governments to act in a multilevel setting. The more specific aim was to look for innovations in governance featuring a direct relation between regional and local governments and the international and European administrative levels.

Relevance to the Budapest Agenda and the Conference theme

The Conference of European Ministers responsible for Local and Regional Governments, on 25 February 2005, adopted the Budapest Declaration which established “... delivering good local and regional governance as an essential objective

² Follesdal, Andreas, Ramses A. Wessel, Jan Wouters (eds.), *Multilevel Regulation and the EU. The Interplay between Global, European and National Normative Processes*. Martinus Nijhoff Publishers 2008.

to be pursued by Council of Europe member states and also through their cooperation within the Council of Europe.” The Budapest Agenda for delivering good local and regional governance adopted at the same Ministerial Conference (and endorsed by the Action plan adopted by the Heads of State and Government of the Council of Europe, at their Third Summit held in Warsaw on 16 and 17 May 2005) identified the major contemporary challenges facing local and regional governments and committed themselves to the implementation of the actions agreed to in the Agenda, by member States individually and through the Council of Europe. Of the various concerns addressed in the Budapest Agenda, two clearly relate to the aims of opening up new arenas in the context of a multilevel polity. The Budapest Agenda, amongst others, addressed the following concerns, viz., (a) the development of the transfrontier and interterritorial cooperation of territorial communities or authorities and (b) the legal framework and institutional structure of local and regional governments. The Agenda points in the direction of reforming the framework and functioning of local and regional governments, in terms of their democracy, financial independence, capacity building and public ethics, elements which also relate to present trends of Europeanisation and Globalisation.

It is in this context that the examination of Europeanisation, globalisation and the legal and policy options for a multilevel polity becomes necessary. European States are being melded into a multilevel polity by their governments and by the actions of numerous subnational and supranational actors. With its dispersed competencies, contending but interlocked institutions, and shifting agendas, multilevel governance opens multiple points of access for interests. In this process of mobilization and counter-mobilization, national governments no longer serve as the exclusive nexus between domestic politics and international relations. Direct connections are being forged among political actors in diverse political arenas (Multilevel governance and European integration).³

The workshop sought to address the complexities of the challenge to patterns of interaction which emerge in a multilevel polity or an emerging trans-European legal domain within the realm of the Council of Europe.⁴ References to various CoE documents could be made in this context. The Steering Committee on Local and Regional Democracy (CDLR) constituted by the Committee of Ministers of the Council of Europe, for example, has as its aims to promote a sound institutional framework for local and regional democracy and transfrontier cooperation. One of the terms of reference for this Committee is contained in Chapter 1.3 of the Action Plan, viz., ‘[pursue]...intergovernmental cooperation on democracy and good governance at all levels and develop further transfrontier cooperation.’⁵ The terms of reference also provide (in the section of project added value) that the project sought to cover new ground in the sense that local and regional democracy is not a new phenomenon but it constantly evolves.

The Council of Europe has played an essential role in asserting the rights of local authorities, by means of adopting the ‘European Charter of Local Self-Government’, which has acted as an important tool in guaranteeing the re-establishment of local democracy in the new member states. The basis of the participation of local and regional governments in national and international settings in their capacity as the representatives of the people concerned directly, involves

³ Multilevel governance and European integration, Liesbet Hooghe, Gary Marks, pp 27-28

⁴ Concept from – “Sovereignty at the Boundaries of the Polity”, Jo Shaw, ARENA Working Papers, WP 02 (16 at p 1)

⁵ Appendix 7 (Item 11.2) of the meeting on 29 November 2006, available at <https://wcd.coe.int/ViewDoc.jsp?id=1069741&Site=CM&BackColorInternet=9999CC&BackColorIntranet=FFBB55&BackColorLogged=FFAC75#RelatedDocuments>

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from the principle of subsidiarity, a principle which was given consideration as early as 1995 by the Committee of Ministers in their recommendation to member states on the implementation of the principle of subsidiarity⁶, when it was held that the provisions contained therein constitute a first effort to define the criteria to be followed in the implementation of the principle of subsidiarity in a text of international law and elaborated on the division of powers in such a manner that it involved the participation of local and regional governments, when necessary, in the decision-making process of the tiers of governments above them.

The Recommendation of the Committee of the Ministers to member states on capacity building at local and regional level⁷, under the terms of Article 15.b of the Statute of the Council of Europe, provided various recommendations to the consideration of member states. In this recommendation, consideration was given to the fact *“that development of the capacity of local authorities may in such cases involve not only local authorities themselves, but also central and regional government, in so far as they have responsibility for local government, as well as other actors at national and international level, including associations of local authorities.”*

Thus the relevant CoE documents mentioned above showcase the evolution of a multilevel setting in the Council of Europe regime, which involves local, regional, national and international bodies in the policy and legal frameworks.

Recommendations

Having discussed the relevance of this workshop to the broader theme of this Conference and the Budapest Agenda and having considered the papers presented under this workshop, two groups of recommendations are being proposed for good local and regional governance in the context of a multilevel polity. The first group is meant to exclusively point at the role that the Council of Europe may play in enhancing good local and regional governance pertaining the workshop’s multilevel perspective. As to the second group of recommendations apart from relevant concern from the Council of Europe the objective is to also call upon other players, such as regional and local governments, as well as educational and research institutions, to respond to.

A. Recommendations towards Council of Europe

A distinction is made between recommendations which concern the strategic position concerning multilevel good governance and recommendations which relate to the most important means to reaching the strategic goals.

⁶ Recommendation No. R (95) 19 adopted by the Committee of Ministers on 12 October 1995 at the 545th meeting of the Ministers’ Deputies) available at www.coe.int

⁷ Recommendation CM/Rec(2007)12 adopted by the Committee of Ministers on 10 October 2007 at the 1006th meeting of the Ministers’ Deputies) available at www.coe.int

1. Promoting a uniform strategy on levels of governance

a. Ensuring that there is a coherence between levels of governance, functions, and territories.

Participants to the workshop strongly feel that to serve matters of public interest in a manner which is both effective and efficient and which fosters the development and contribution of civil society to the benefit of these interests, it is necessary that in as much as possible there is an appropriate fit between function and governance form(at). When functions, levels and territories are not properly related, not only will this lead to high transaction costs, miscommunications and thwarting of policy making and implementation, but it will also fail to enhance accompanying public participation (in various forms).

b. Clarifying the responsibilities between the different levels of governance.

Similarly (to a.) it is felt that, as governance rests on the notion of multilevel, multi-actor and multi-problem approaches, there is a serious threat that within governance networks both powers to act and responsibilities for (not) acting become blurred, negatively affecting both effective and efficient outcomes, communication and a baseline for public trust in the workings of government (e.g. in terms of 'when everybody is responsible, nobody is responsible'). Transparency in governance is a prerequisite for legitimacy and effectiveness.

c. Respecting the principle of subsidiarity, understood as bringing decision making as close to the citizen as possible.

In multilevel governance the aforementioned legitimacy and effectiveness come with the need to put subsidiarity first – clearly in line with the remarks made in the above – under 2. ('Relevance theme') on the subsidiarity principle. The workshop participants fully acknowledge that there may be instances where 'as close to the citizen as possible' does not entail a role for decentralised authorities, but are of the opinion that with each policy issue an explicit analysis on the 'as close as possible' criterion is in place to enhance the chances of successfully involving citizens and civil society to these issues.

d. Giving priority to direct elections of decision-makers wherever appropriate and improving democratic legitimacy, accountability, openness and transparency at all levels of governance.

This recommendation is clearly meant to link the perspective of local and regional governments to principles of good governance⁸ and to provide an intrinsic further underpinning for adherence to the principle of subsidiarity. As to the element of direct election of local and regional decision-makers, the general opinion within the workshop was that this is especially relevant where these decision-makers actually have discretionary power, whereas if they merely technically implement higher regulations and/or decisions a more indirect or perhaps bureaucratic appointment seems more

⁸ E.g. European Governance, A White Paper, Brussels 25/7/2001, COM(2001) 428 final.

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appropriate. One should, for the benefit of both public involvement and the elected, avoid a situation where a decision-maker is considered 'democratically responsible' for decisions which they themselves cannot influence substantively. Clearly effectiveness (including efficiency) of governance is an important value both with regard to subsidiarity (in recommendation **c.**) and to good governance (in recommendation **d.**).

2. Implementing mechanisms – Council of Europe can consider

- e. Adopting a consistent and cooperative approach in insisting on a more direct influence of local and regional actors in multilevel governance and institutionalized access to decision making.*

Without doubt the presentations and discussions in the workshop made it abundantly clear that both direct influence in multilevel governance, without an intermediary role of member states governments, and suitable and indeed institutionalised channels for access to decision-making, on other levels of governance, require from the Council of Europe a clear and sophisticated approach which promotes an active role of local and regional governments in the multilevel polity. This recommendation was discussed as the 'vertical dialogue' to which local and regional governments can play an important role – while by-passing national government. This dialogue should be 'cooperative' not merely in better explaining top-down policies, but also in ensuring a constructive bottom-up input to formulating new (joint) policies.

- f. Supporting network of regions and local authorities, city twinning and joint initiatives by cities and regions to establish and implement reforms and economic projects, thereby enabling transfer of best practices between local and regional governments.*

In turn this recommendation involves especially the horizontal, but also diagonal governance dialogues, involving a (horizontal) dialogue between regional and between local governments, especially with the objective of exchanging information (such as on best practises) but also to (reciprocally) support each other in and work together on specific projects and undertakings (e.g. on climate change policies).

Clearly a horizontal dialogue not only in itself may foster good local and regional governance, but will also support the vertical (top down and bottom-up) dialogue (as mentioned in recommendation **e.**).

- g. Financial autonomy and Decentralisation are prerequisites for the local and regional governments to be active players in the European and international stage.*

Participants to the workshop are of the conviction that the involvement and activities within horizontal and vertical governance dialogues require that local and regional governments can operate in multilevel governance on the basis of a substantive measure of institutionalised autonomy in terms of sufficient financial resources and decentralised powers to address issues of local and regional interest in these multilevel contexts, especially when bypassing national

government involvement (as a possibility which should, according to recommendation e. be promoted). The willingness to play an active part in multilevel governance, should not be hampered by uncertainty over of the fear of state restrictions as to financial autonomy or as to (the exercise of) regulatory decentralised powers – at the ‘whim’ of a national interest as defined (solely) at state level.

Of course this recommendation recognises the necessity for coherent state policies concerning matters of national interest, but proposes that such a necessity need not conflict with Decentralised governments being active players. To work out minimum requirements for local and regional autonomy (to enter multilevel play), while at the same time safeguarding national policy coherence is regarded in the workshop as a cornerstone of the Council of Europe’s position on good local and regional governance.

B. Recommendations for setting the agenda for further exchanges between academics and professionals

- a. *Promote structured multi-disciplinary dialogues between practitioners and academics to the enrichment of both policy making and academic research.*

The topic of the workshop and the conference in which it was embedded has provided a setting for ‘participative observation’ for all participants, academic and professional/practitioner alike, and offered clear evidence for the usefulness of an exchange of facts, ideas and opinions between academics and practitioners to the interest of both groups. This recommendation is to simply but clearly state that exchanges of these kind need to be promoted – not only in terms of accompanying ministerial conferences, but also in terms of leadership within academia and professional/governmental organisations arranging for the preconditions to make involvement in such undertakings possible on a more frequent basis and also on more specific issues.

- b. *Promote research on legitimacy issues (in the context of connectivity to citizens) on the one hand and policy effectiveness (in the context of overlapping networks) on the other hand.*

Providing opportunity is one, setting a proper agenda yet another. The focus on good local and regional governance has made it clear that within the context of this workshop there is clearly a need for more research on legitimacy and effectiveness issues to provide a stronger underpinning and a more dynamic bases for exchange of best practises both in terms of applying the subsidiarity-principle, vertical and horizontal governance dialogues and the accompanying preconditions. Both normative and conceptual research (such as on models of multilevel governance play) and ex ante and ex post evaluatory and empirical research (on existing and possible future practises) can play an important role in providing for (evidence based) good local and regional governance. Clearly all concerned, Council of Europe, governments and universities, should actively promote high quality research in this areas and along such lines.

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c. *Promote room for experimentation.*

Providing improved opportunities for exchanges between academics and professionals, and research on topics of legitimacy and effectiveness, may also set the stage for experimentation concerning new modes of multilevel cooperation, within the context of vertical but also of horizontal dialogues between local and regional governments. Similar to the Committee of Minister's "Recommendation on the participation of citizens in local public life" (Rec 2001-19; Appendix II, sub B), entailing the recommendation that local and regional governments should experiment with a variety of measures to increase turnout in subnational elections, experiments could be initiated and fostered with regard to multilevel interaction and improvement of good local and regional governance hitherto.

In conclusion

Europeanisation and globalisation set the stage for promotion also of good local and regional governance, through the above mentioned means, rather than being considered as a threat to local and regional autonomy. This can be achieved by establishing a clear legal and institutional framework for local and regional governments, as envisaged by the Budapest Agenda, but in the context of a multilevel polity and governance, and the development of legal and policy options thereof, recommendations for which have been provided by participants in the workshop on 'Local and regional governments in the age of Europeanisation and globalisation: legal and policy options in a multilevel polity'.



Workshop 3:

Local and regional finance public service provision and financial management

Recommendations

In view of the European Charter of Local Self-Government (1985), stating that "Local authorities shall be entitled, within national economic policy, to adequate financial resources of their own, of which they may dispose freely within the framework of their powers", the Working Group has three recommendations to give this statement in the charter more precision.

1. *Preferably use the subsidiarity principle in allocating resources to different levels of government.*

Note: local and regional communities may have their own preferences with respect to the provision of public goods. To adapt public services to these utility differences, decision making should be decentralized as far as possible. Thus the subsidiarity principle may be invoked: 'decentralization whenever feasible, centralization whenever necessary'.

2. *Preferably own resources are based on local taxes but not exclusively. Deciding upon either local taxes or grants should be based on both characteristics of the tax base and desired levels of redistribution.*

Note: Tax based service provision may be optimized in setting marginal benefits equal to marginal cost (the utilities of the services provided and the disutilities of the taxes imposed being controlled simultaneously). Obviously however, allocative efficiency (externalities) and considerations of distributional justice may oppose local/regional decision making on taxation. Lump-sum (block) grants may then be an alternative.

3. *A guarantee is needed that both equalization and grant allocation systems are objective, clear, transparent, foreseeable and verifiable, non-discriminatory and laid down by law.*

Note: These requirements may encourage the fulfilment of the objectives specified in the 1997 COE-study on local finance in Europe, especially "the equalization of transfers or grants from central government if access to services should be independent of local income and wealth while respecting local preferences".

With respect to local/regional financial management the Working Group has concluded on three additional recommendations.

4. *Using different organizational models of public service provision should be accompanied by adequate democratic control mechanisms.*

Note: The traditional principal-agent model of public service provision (with elected councils in the role of principals) is increasingly replaced or supplemented by 'competitive' or 'cooperative' models of decision making (involving market mechanisms and/or public-private partnerships), which may blur the ultimate democratic control over the services provided.

5. Local government's service provision should be covered by external as well as internal performance audits.

Note: This recommendation is based upon consideration of the newly installed 'audit offices' for Dutch local government. The external auditing thus provided may be recommended to other European local governments, but it should not be installed as a replacement of existing internal auditing activities.

6. Local governments should conduct systematic and comprehensive risk management to assess their resilience and long term sustainability.

Note: As perceived by the Working Group, the 'state of the art' in risk management as prescribed for and performed by local (or regional) authorities is certainly not very advanced and sophisticated. Financial management may be improved considerably in this respect.

Workshop 4:

New forms of transborder and inter-territorial cooperation at the local and regional level

Introduction

Over the last two decades we have witnessed a major growth in transborder and inter-territorial cooperation by local authorities and regions in Europe, as a result of ongoing European integration. Such cooperation can take many different forms, depending on the concrete needs of the local and regional entities involved, on the one hand, and the room-of-manoeuve and the respective competences of the local and regional actors, on the other hand. The workshop discussed this increased heterogeneity and the reasons for (different forms) of cooperation. In addition common factors for successful cooperation were identified. Attention was also paid to the organizational framework for transborder and inter-territorial cooperation and the initiatives taken by both the Council for Europe and the European Union to create common legal provisions in this field.

In this workshop report, we will first highlight the main outcomes of the workshop delegates' presentations and deliberations, focusing on:

- different forms of cooperation;
- the added value of cross-border cooperation;
- factors that contribute to successful cross-border cooperation;
- (common) legal frameworks for cross-border cooperation.

Subsequently, *recommendations* will be presented.

Diversity

There is considerable conceptual confusion regarding transborder and inter-territorial cooperation.

Based on the geographical scope three main forms of cooperation can be distinguished:

- cross-border cooperation: collaboration with two or more adjacent local and regional entities situated in different but neighbouring states;
- inter-regional cooperation: collaboration between non-adjacent local and regional authorities (e.g. town-twinning);
- transnational cooperation: cooperation linked to a specific geographic area, involving both regional and local as well as national authorities situated in this specific area. Examples are the Carpathian Euroregion and the Black Sea Euroregion.

In the workshop the focus was on cross-border cooperation and transnational cooperation. In the remainder of this report we will simply refer to cross-border cooperation for both types of cooperation.

Apart from the geographical scope, the workshop discussed two more dimensions according to which cross-border cooperation can differ. First, the context in which the cooperation takes place can vary depending on the type of border. Cooperation can take place across an administrative border that separates people with the same language and culture, but it could also be that cooperation has to go across physical, language and cultural barriers. From a pan-European perspective most workshop delegates emphasized the importance of distinguishing between different possible contexts in which cooperation within the Council of Europe can take place:

- cooperation across "old EU-15"-borders only;
- cooperation between old and new EU members across the new (post-2004-enlargement) EU internal borders;
- cooperation across the borders of "new" EU Member States;
- cooperation across the external EU borders with EU-candidate countries;
- cross-border cooperation between EU-candidate countries;
- cooperation across the external EU borders with non EU-candidate countries;
- cooperation between non EU-candidate countries.

Secondly, the administrative structures were discussed, or the degree of institutionalization of cross-border cooperation, which can range from weak to strong. Cross-border cooperation can make use of short-term structures (like single projects for a specific purpose) or of permanent long-term structures covering various thematic issues. In some cases of cross-border cooperation institutionalization is rather weak, like with the so called Working Communities (e.g. ARGE ALP, ALPE ADRIA, Bodenseekonferenz) and the so called Eurodistricts (e.g. Strassburg-Ortenau, Eurodistrict Basel). Most of the permanent structures bear the denomination Euroregion, but this term still covers a variety of cross-border cooperation schemes. Some Euroregions have cross-border institutions and their own budget, whereas others are limited to informal contacts and loose forms of collaboration. Some have a private or public law status; others do not have a legal status at all.

The added value of cross-border cooperation

In the workshop repeatedly references were made to the Lisbon Agenda and the need for regions and local communities to adopt a local approach to globalisation issues. In most European countries border regions tend to be "on the edge of the table" from the perspective of national capitals, but at the same time borders are the gateways to Europe and provide access to international markets. Cross-border cooperation can strengthen the profile of border regions and can thus reverse marginalization.

Most cross-border cooperation nowadays deals with fields like regional economic development, transport and traffic, innovation and technology transfers and tourism and leisure, i.e. it is used to strengthen the economic profile of cross-border regions. In addition, cross-border cooperation is used to solve typical cross-border issues in the field of labour mobility, health services, emergency services and disaster prevention. Moreover, cross-border cooperation can be used as a policy learning device by the exchange of information and experience in various policy fields across borders. Regarding the latter issue, the workshop extensively discussed the exchange of "best practices" by means of inter-territorial cooperation and the subsistent difficulties in terms of transferability. Finally, from the broader perspective of European integration it was argued that cross-border regions can be the laboratories of further integration.

Factors that contribute to successful cross-border cooperation

The workshop delegates identified the following main factors that contribute to successful cross-border cooperation. First, cross-border cooperation should be set up using a step-by-step approach in which the contents of the cooperation comes first and the administrative structure comes second. The administrative structures should be lean and mean. Secondly, cross-border cooperation should be based on personal contacts, on a people-to-people approach (p-2-p). Key

Workshop 4: New forms of transborder and inter-territorial cooperation at the local and regional level

players should be committed to the cooperation on a personal basis. Cooperation should include all relevant actors, including governments, businesses, and organisations from civil society. Citizen involvement is highly important as cross-border cooperation is currently often perceived by citizens as a remote activity which is not part of the core business of regional and local authorities, in spite of the high possible added value of cross-border cooperation for citizens. To keep administrative structures light such citizen involvement could best be of a participatory rather than a representative nature.

Thirdly, common objectives should be clearly identified but at the same time differences in interests should be acknowledged. Cooperation should aim at complementarities. The objectives should be practical and tangible. They should aim at a win-win-situation for all involved. Activities should be praxis-oriented.

Fourthly, the key actors involved should have the proper competencies to get engaged in cross-border cooperation and should not be hindered by higher level government. Trust and political will on all levels of government are essential.

Finally, intercultural differences should not be ignored. Borders are real. They should be accepted and dealt with. Intercultural understanding is a key factor to success.

Towards common legal frameworks for cross-border cooperation

It could be argued that the absence of a pan-European legal framework for cross-border cooperation lies behind much of the legal-administrative diversity that can be witnessed in practice. In that light the workshop discussed the introduction in 2006 of the Regulation on a European Grouping of Territorial Cooperation (EGTC) by the European Union. This Regulation provides for an optional legal tool to structure cross-border cooperation between at least two EU member states. Members of an EGTC can be member states, regional and local authorities and bodies governed by public law. An EGTC has (public) legal personality and has to comply with certain minimum requirements in terms of its administrative structure. So far seven EGTCs have been set-up using this Regulation.

Even though the workshop delegates in general took a positive view on the EGTC tool, it was repeatedly argued that a common legal framework is neither a sufficient nor a necessary condition for successful cooperation. If cooperation partners are willing to cooperate, they will always find an administrative structure to cover their needs. From that perspective it is convenient that the EGTC tool is optional and that local and regional authorities are always entitled to use other legal forms of cooperation, if they prefer to do so. In general the workshop delegates felt that regional and local authorities should be in a position in which legal-administrative obstacles for cooperation should be reduced to a minimum. This does not imply however the need for a search for a new common metastructure.

In the discussion, it was established that the EGTC tool has two major drawbacks. First, even though the character of a Regulation suggests otherwise, the EGTC Regulation is restricted by the limitations stemming from national law, since the final decision on whether an entity is entitled to participate in an EGTC is in the hands of central government and is dependent on the respective national legislation. Secondly, the EGTC tool cannot be used in the case of bilateral cooperation between an EU member state and a third state due to the requirement of involvement of at least two EU member states.

As far as the draft third protocol to the Council of Europe's Madrid outline convention on Euroregional Cooperation Groupings is concerned, the delegates pointed out that it is important to make the EU EGTC framework and the CoE ECG framework as compatible as possible. The delegates also stressed the importance of ratification and transposition of the first two protocols to the Madrid convention by CoE member states.

Recommendations

1. Strengthening and intensifying cross-border cooperation within Europe is a common responsibility of all levels of government involved (regional/local authorities, nation states, supranational organisations).
2. The Council of Europe should cooperate closely in this field with other supranational organisations, including the EU, the OECD and the Association of European Border Regions (AEBR).
3. The Council of Europe should continue to aim at diminishing legal obstacles for cross-border cooperation. It should continue to make efforts to provide financial instruments and reduce differences in legislation at the national and European level. It should especially ensure that common legal frameworks as the EGTC and the EGC are compatible and flexible in their application.
4. The Council of Europe should re-enforce the ratification and transposition of the first two protocols to the Madrid convention by its member states, in order to give these instruments the greatest possible effect.
5. The Council of Europe and its member states should facilitate –both legally and financially the carrying out of experiments in cross-border cooperation (“laboratory cross-border cooperation”, or -in Dutch- “experimenteerregio’s”), especially with regard to the administrative structures used.
6. The Council of Europe, together with other organisations, should create an effective communication structure for cross-border cooperation practices. This structure should enable all actors involved to share both new and already existing documentation, information and experiences. The exchange of “best” or “good” practices should take into account problems of transferability and should be evidence-based.
7. As intercultural understanding is a key factor to successful cross-border cooperation, the Council of Europe should strengthen its activities aimed at improving the intercultural dialogue among its members.
8. Regional and local authorities involved in cross-border cooperation should adhere to the general principles of good governance. They should aim at increasing the involvement of citizens in issues of cross-border cooperation and at increasing democratic accountability.

Keynote speech:

Regional and local governance in the 21st century: challenges and opportunities

1. Introduction

The European Charter of Local Self-Government was promulgated in 1985 and has since been signed and ratified by almost all of the Council of Europe's 47 member states. The Charter was primarily concerned to define more clearly and to safeguard the autonomy of local authorities vis-à-vis 'higher' levels of government, both national and regional. This was in line with the first part of the Council of Europe's twin mission of promoting democracy and human rights. Henceforth, local democracy was seen to be an essential element of democracy itself and the exercise of local autonomy an essential element of the practice of local democracy. It was less concerned, however, with citizens' participation as a key dimension of local democracy. Perhaps this was not surprising given that local authorities themselves had to affirm their rights vis-à-vis central governments. If the local institutions were not strong, then citizens' participation did not mean much as an exercise of democracy. However, the Charter reflected the situation of West European states in the mid-1980s and we know that, since then, the world has significantly changed with new understandings of governance and an increasing awareness of the importance of citizens' participation in governance systems. Furthermore, the wider role of government has changed because of the political, social and economic transformations associated with globalisation and, in Europe, accelerating European integration. Today, given the global financial crisis, we are in the midst of another set of changes in the role of government which will probably prove to be just as radical as those which began in the 1980s.

This paper will lay out this changing context and the evolving nature of governance over the past twenty-five years before turning to how this relates to regional and local governments' services delivery and citizens' participation in this. These developments have been felt most strongly in the countries of Western Europe but they have also had an impact in the new democracies of East and Central Europe, the Balkans and further afield. The paper will conclude with some suggestions about the approach that the Council of Europe might take in strengthening good regional and local governance in line with recent initiatives of UN-Habitat. It will conclude with some remarks about the challenges that have arisen as a result of the current global financial crisis.

2. Changes in understanding governance over the last 25 years

The great variety of state traditions and territorial governance in Europe

It is useful to distinguish between 'government' and 'governance' and relate both to processes of 'governing'. Democratic government refers to governing by elected representatives and governments assisted by systems of public administration. Governance, in its contemporary meaning, refers to governing which involves not just selected representatives and their administrations but a much wider group of actors drawn from civil society. These might be business associations, trade unions, pressure groups of various kinds who influence, to a greater or lesser degree, decisions that are taken by elected politicians. They may also influence the implementation of these decisions. In Europe, there is a considerable variety of territorial governance systems ranging from fully-fledged federations as in Germany and Belgium to small unitary states like Ireland and Greece and, somewhere in between, large regionalized states such as France, Italy, Spain and,

more recently the United Kingdom. Furthermore, within Europe there are distinctive state traditions which influence the ways in which government and governance are expressed: the French Napoleonic tradition which has influenced several states in Europe, including those of southern and east and central Europe and even the Netherlands and Finland, at least in their outward forms; the Germanic tradition which has been dominant obviously in Germany but also in Austria and, in its actual operating system, the Netherlands; the Scandinavian tradition which is based on homogeneous nations, decentralized local governments but which operate within highly regulated parameters set by national governments or parliaments; and, finally, the Anglo tradition which has a weak sense of a unified state and a stronger sense of society and is more pragmatic and even idiosyncratic in its political and administrative organisation. Governance as well as government express themselves very differently in all of these systems (Dyson, 1980; Loughlin and Peters, 1997). The great variety of arrangements in territorial governance in European states is, to a large extent, a result of this already great variety of systems of government and governance so that the place of regional and local government is different in each of them. This makes it difficult, if not impossible, to devise a one-size-fits-all approach to territorial government in Europe.

Common trends in territorial governance: the period of the Trente Glorieuses

West European states and other advanced capitalist states such as Canada, Australia, New Zealand and even, to some extent, the United States set up Welfare States in the period following the Second World War. This was to some extent a reaction both to the war itself, which was interpreted as a 'people's war', and to the situation of economic depression and poverty during the Great Depression of the 1930s. Keynesian economic strategy, and the post-war economic boom it facilitated, allied with state-sponsored social welfare policies to make possible the building of welfare states. While it is true, as Esping-Anderson has shown, that there are different models of welfare state⁹, they all hold a number of features in common: the principles of equity and redistribution; harmonization of public services across the entire territory; the right but also the duty of the state to intervene in the society and economy to bring about these ends; this leads to high levels of both centralization and bureaucracy as the personnel necessary to deliver these extensive policy programmes increase.

What interests us particularly in this paper is the position of subnational regional and local authorities in the welfare state system, what I will call the Keynesian-Welfare State. It is possible to discern a number of general features of territorial governance which seem to have been common to all states, whether unitary or federal and of whatever welfare model.

Firstly, territorial governance and policy were adopted from primarily national rather than regional or local perspectives. This was based on the idea of 'social citizenship', first defined by T. H. Marshall in the early 1950s, is predicated on the notion of social solidarity and ensuring that citizens may participate fully in the good life of society (Marshall, 1950). This involves redistribution programmes which transfer resources from the more advanced sections and regions to the weaker sections and regions. Most planning systems, such as those found in France, Italy or the UK were based on these premises and could be seen as the territorial expression of the Keynesian Welfare State. In some countries, such as

⁹ Esping-Anderson distinguishes between the Social Democratic (Scandinavian), Liberal (Anglo-Saxon) and Conservative (the 'Catholic' countries of Europe) versions which are founded on different principles. For example, the Conservative type is built on the traditional patriarchal family while the Scandinavian encourages women to join the labour force and provides child-care facilities to enable them to do so.

Keynote speech: Regional and local governance in the 21st century: challenges and opportunities

West Germany and Italy there was, and still is, a constitutional obligation to ensure equalization across the territory. Although there was a great variety of central-local relations in Europe, as authors such as Goldsmith and Page (1987) have pointed out, during the Welfare State period they had in common what has been called a 'principal-agent' model. Regions and local authorities were seen as 'agents' of the central state in the delivery of these policy programmes which were designed and controlled by the central governments, their 'principals'. This type of relationship was true whether in centralized unitary states such as the UK or France or decentralized unitary states such as those in the Scandinavian countries. In the latter countries, although local government played an important role in the Welfare State system, it did so within strict parameters highly regulated by the central state.

Decentralization trends during the Trente Glorieuses

It is true that during this period, there were decentralization trends (Sharpe, 1979). These, however, were primarily concerned with 'decongesting' an administrative system that had become excessively cumbersome and top-heavy and were attempts to transfer some of the burden to outlying parts of the system. This was administrative 'deconcentration' rather than political decentralization. However, along these trends there were also growing demands for greater local participation in decision-making – participatory democracy (Pateman, 1970). The 1982 decentralization reforms in France are a good example of the presence of both trends – administrative streamlining and regional and local democracy – although it is doubtful whether either aim was fully realized at least in the initial years of the reforms (Loughlin, 2007). The 'free commune' reforms in the Scandinavian countries in the late 1980s are another example of attempt to lessen the regulatory control by the centre of local governments' activities (but only in specific policy areas and after approval by the centre, see Baldersheim and Ståhlberg, 1994).

The conceptualization of 'governance' during the Trente Glorieuses

The mode of governance during this period was characterized by a top-down and command and control perspective. Governments were at the centre of the system and, although there were actors drawn from the wider society, their relationship with the government and with each other were controlled and sanctioned by the central government. In other words, in the triangle of state, economy and society, the state was dominant. We should also bear in mind that both the economy and society were relatively stable and coherently organized during this period, with strong business associations representing producers and the labour force organized in strong labour unions in most countries relating to governments in a neo-corporatist way (Schmitter 4 and Lehbruch, 1979). Society itself was organized in both in terms of social classes as well as traditional patriarchal family forms (Mendras, 1988). In these conditions, it was relatively straight-forward for governance to adopt what was known as a neo-corporatist model, even in countries such as the UK.

The crises of the Welfare State and the emergence of neo-liberalism

It would be out of place here to go into detail as to how the Keynesian Welfare State went through a series of crises and transformations beginning in the 1970s: the 'fiscal crisis of the state', the oil crises and the economic problems of simultaneous stagnation and inflation. These crises gave rise to severe social, economic and political challenges and transformations, and, eventually, to a radically new departure in the understanding and practice of 'governance'. In summary form, we might point to: the new globalisation following the collapse of the Bretton Woods currency

regulation system; the migration of heavy industries from the West to the Far East; the relaunch of the process of European integration; and, most importantly for governance, what became known retrospectively as 'neo-liberalism'. Neo-liberalism was an intellectual as well as a wide-spread political movement which radically challenged the very principles of the Keynesian-Welfare State model of the state. Beginning in the US and UK of Ronald Reagan and Margaret Thatcher, it was adopted in several different forms, albeit at different rhythms and times, by most European countries and further afield in places such as Chile and Brazil. Most importantly it became the explicit approach of global finance organisations such as the IMF and World Bank who, according to the Nobel laureate Joseph Stiglitz, imposed it on several countries of the developing world (Stiglitz, 2002). When the communist system collapsed from 1989 onwards, it lost its major economic rival and seemed to reign supreme, which Fukuyama described as 'The End of History', the final triumph of capitalism (Fukuyama, 1992). Most of the countries of East and Central Europe eagerly embraced it after the long period of suffering under communism. Today, with the global financial crisis, neo-liberalism, at least in its more extreme form, seems to have run its course and we will return to the implications of this for regional and local governance towards the end of this paper.

Neo-liberalism and territorial governance

The 'neo-liberal revolution' had profound consequences for governance both at the national and subnational levels especially in Europe (Loughlin, 2009). Two aspects of this revolution are important for governance. First, there is globalisation which has adopted a neo-liberal form. Second, within states new models of public management and public administration were adopted.

In the 1980s, there was a massive increase in globalisation in many different areas of economic, political, cultural and social life (Scholte, 2005). In the early period, 'globalisation' was actually the emergence of two powerful economic 'blocs': the United States and Japan, with European states still struggling to compete with these two blocs. The response of the European states was to relaunch the integration process to create a third European 'bloc' capable of competing with the other two. Eventually, this intensified economic regionalization gave way to a truly global system with the development, for the first time, of global markets in a range of commodities not the least of which were the rapidly expanding global finance markets, of which we are today very much aware!

From a governance perspective, these developments have significantly affected the position of national governments giving them much less control over both international relations as well as domestic affairs than had been the case during the Trente Glorieuses. This does not mean that we have the 'end of the nation-state' a dramatic claim made by some commentators (Ohmae, 1995). National governments are still the most important actors in international and domestic affairs but the nature of their exercise of sovereignty has considerably changed as well shall see below.

Domestically, most European administrative systems were influenced by the wave of reforms in the 1980s and 1990s known under the label of New Public Management and taking the specific forms of deregulation, privatisation, and the introduction of 'market' mechanisms within the administration itself (Hood, 1998). Admittedly, there was a wide variation in the concrete expression of these reforms according to the particular state and administrative tradition in which they were applied so that privatization in France or the Netherlands did not follow exactly the same pattern as in the UK or Italy (Vickers and Wright, 1988). But the reforms did affect all European countries as well as those in other parts of the world.

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Putting together these two phenomena of globalisation and administrative reform, we might summarize the changes by saying that, in the state-market-society triangle, the state had lost its dominant position which it now had to share with the market. But what is interesting is that in all countries, even the UK which had adopted neoliberalism to the greatest extent, the market had not shoved the state from its pedestal but rather shared the pedestal with it. In other words, the old simplicities of the Keynesian-Welfare State model have given way to a more complex, hybrid model where both state interventionism and neo-liberalism co-exist side by side (Loughlin, 2009).

Decentralization in the era of globalisation, deregulation and the neo-liberal state

It is possible to discern a number of general trends which developed in this new context of economic globalisation and the new parameters within which which nation-states now operate.

- A general tendency towards political decentralization, as distinct from the mere administrative deconcentration which existed previously.
- The emergence of regions as key actors: political regions in (in chronological order) Italy, France, Spain, Belgium and, later, Sweden; administrative regions in England, Greece, Finland, Portugal and Ireland.
- A general tendency towards further strengthening the political powers of these regions: greater powers for the political regions alongside a tendency towards transforming the administrative regions into political regions as has occurred in France since 1982.
- A tendency towards the quasi-federalization of some regionalized systems and the decentralization of what had been more centralized federations: the transformation of Belgium from a regionalized unitary state into a highly decentralized federal state with both communities and regions; the emergence of the 'state autonomous communities' process in Spain; the devolution programme of the United Kingdom; the attempts to reform the German federation; and the increasing decentralization of the US, Canadian and Australian federations.
- Restructuring of local government by breaking up larger units (in the UK, the abolition of the metropolitan counties and the creation of unitary authorities in certain regions), but also by promoting internal decentralization within municipalities, for example the creation of neighbourhood councils in France, Italy and the Netherlands.
- The creation of new institutional mechanisms to allow greater involvement of individual citizens and interest groups in the decision-making process, albeit without abolishing the decision-making remit of elected local politicians.
- For the members of the European Union, the EU itself has provided a background against which such reforms have been carried out – encouraging both political and administrative regionalization, new approaches to urban policy, and the constitutionalization in the Maastricht Treaty of the principles of subsidiarity and partnership.
- Finally, there has been the growth of a strengthened international dimension involving subnational governments: new international organisations representing regional and local authorities (e.g. United Cities and Local Governments, which participates alongside the appointed representatives of national governments in the UN); international organisations focused on particular types of cities or regions; lobbying and paradiplomatic

activities on the part of regional and local governments. These developments have been made possible by the loosening of the boundaries of the nation-state in some parts of the world (quite the opposite has occurred in other parts!) and the opening up of exit opportunities which did not exist before.

Evolving central-local fiscal relations

In a recent study of these relations the following trends were noted (Loughlin and Martin, 2003):

- *Transfers vs. 'own resources'*: overall there appears to be a general tendency towards increasing use of 'transfers' and decreasing reliance on 'own resources'.
- *Block vs. 'ring-fenced' grants*: these transfers tend to be 'block' or general rather than 'ring-fenced' or specific grants.
- *Effect on local fiscal autonomy*: There seems to be a contradiction here. Increased transfers from central government might suggest a lessening of local autonomy. On the other hand, there has been an increase in the level of local fiscal control over these grants. This seems to indicate a growth of what may be called a 'choice' rather than 'principal-agent' model of central-local relations. One explanation of the apparent contradiction is that the 'choice' model is evidenced by the fact that local authorities have control over transferred resources. Another explanation is that central governments prefer to switch from ear-marked to general grants since that transfers political responsibility for the use of these funds to subnational governments. In other words, the latter have to carry the can if they are not used effectively.
- *The current financial crisis*: It is still not clear how the current global financial crisis will affect the central-regional-local fiscal relations but there seems little doubt that it will have important consequences for these.

Summary of these trends

The above comments illustrate significant shifts in the position of subnational authorities in advanced democratic societies which are a result of the wider shift in the nature of governance from a Keynesian-Welfare State mode to a mode which is a mixture of this and the neo-liberal model of state withdrawal, privatization and the dominance of market-based approaches. It is this mixture - what I call the 'hybrid state' - that has affected both the nature of service delivery by regional and local authorities and the participation of citizens in governance structures and in service delivery itself. To these we now turn.

3. Delivery of services by regional and local authorities

In the previous section, we described these as a function of the central state's commitment to deliver extensive policy programmes on the basis of social citizenship. In this conception, it is the public sector which offers the services. Neo-liberals such as Milton Friedman and Walter Niskanen criticized this method of service delivery on the grounds of its inefficiency, ineffectiveness and wastefulness. Neo-liberal politicians such as Ronald Reagan and Margaret Thatcher embarked on ambitious reforms to overhaul the Welfare State system through a number of measures - privatization, deregulation, and the introduction of market-type mechanisms within the public administration system. Although there

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has been an extensive debate as to the extent to which these reforms achieved their goals (for example, it has been pointed out that public social expenditure continued to rise during the 1980s and 1990s), there seems little doubt that they had a significant impact on the way in which public services are conceptualized and on the operating culture of the public sector. There have also been significant changes in the relationship between the public and private sectors. During the early years of neo-liberalism – the 1980s – at least in the UK and the US, the basic assumption was that the private sector approach was superior to, and should trump, the public sector approach. The neo-liberal approach to service delivery spread around the world albeit re-expressed in the context of the particular administrative culture of each country. By the late 1990s, however, new approaches were being developed that basically accepted the neo-liberal approach but attempted to link it to temper it with more social democratic perspectives: in Tony Blair's UK, Lionel Jospin's France and Gerhard Schröder's Germany. In other words, neither a pure market nor a pure interventionist approach was the dominant model but a complex mixture of the two approaches, corresponding to our concept of the 'hybrid state' outlined above. The question is whether this mixture was a success both in terms of the efficient and effective delivery of services and whether the citizen-user of the service was a participant in its formulation and delivery or whether he was simply a passive recipient.

Three models of service delivery

In effect, what has emerged from these developments are three distinctive models of service delivery by national and subnational government. First, there is the traditional Keynesian-Welfare State approach which is a top-down redistributive model in which public administrators deliver a service to clients. In this model, regional and local governments provide services on behalf of the central state. The services to be delivered are basically decided at central level and the underlying logic is that they be distributed in a standard fashion across the entire territory with some compensation through an equalization system for those territories and individuals lagging behind the national average. In institutional terms, each country expresses these common principles in distinctive ways, according to Esping-Anderson's different models of the Welfare State.

The second model is the one deriving from the market-based approach of neoliberalism which encourages greater private sector involvement in service delivery and even the replacement by this sector of private sector providers. One of the clearest examples of this is the Compulsory Competitive Tendering (CCT) approach adopted by the British Conservative governments in the 1980s. Most European countries adopted this approach albeit perhaps in less stark forms than in the UK. To some extent, the market-based approach was more or less adopted depending on the political ideology of the government or local authority in an individual country. In Sweden, for example, some counties and municipalities run by parties on the right wished to introduce some private sector involvement in areas such as health and education but were hindered from doing so by a central government that was on the left, raising issues about local autonomy. In Aznar's Spain, on the other hand, there was greater encouragement of the neo-liberal approach to service delivery. In one respect, neo-liberal approaches resembled what we have called the Keynes-Welfare State approach: they both assumed that there was 'one size that fits all' and the mechanisms of service delivery, whether the public sector or the 'market' were similar whatever the variety of concrete situations. Neo-liberal market approaches became a kind of orthodoxy which it was assumed would work in whatever concrete situation it was applied.

The key question is: did it really work to improve public services? Only empirical research, with clear definitions of the

meaning of 'improvement' and 'success' can answer this question. There might be improvement and success in one sense – for example in cutting costs – but this might not be the case in other areas – for example, in quality of the service or in improving the service user's engagement with the service. In fact, to take the example of the UK Conservative governments' CCT approach, there was widespread dissatisfaction with this both on the part of the local authorities and on the part of citizens using these services. This led to the development of what has been called the collaboration model. Again, the UK furnishes an interesting example of this with the arrival to power of New Labour in 1997 when the CCT approach was changed to what was called 'Best Value'. In essence, this approach did not abandon the competitiveness of the neo-liberal model but it ceased to operate on the principle that the private sector was intrinsically better than the public sector. On the contrary, it was recognized that the public sector brought to service delivery a number of strengths that could not be found in the private sector: a commitment to the delivery of services that may not be profitable; a different kind of commitment on the part of administrators and, perhaps most importantly, relating service delivery to issues of democracy and citizen engagement. New Labour, however, also saw merit in the market model not because of the disciplining and economizing features which came from competition but rather because it was seen as a mechanism of innovation and improvement. So the collaboration or partnership approach sought to combine the best of both the private and public sectors. Entwistle and Martin (2005: 236) outline three rationales underlying this approach: "First, by drawing on the contributions of different agencies according to their specific resources and competencies... [the] partnership will deliver goals more effectively and efficiently ... will deliver 'more with less'. Second, by encouraging network-like contacts between public agencies, partnership promises to plug holes in statutory mandates and tackle 'wicked issues' through joined-up governance. Third, by including different groups and sectors in policy- and strategy-making, the new partnerships promised more inclusive forms of government than can be realized through the traditional institutions of representative democracy" (on this last point see below). However, Entwistle and Martin suggest that each of these propositions needs to be tested empirically. For example, although it might seem a priori that 'trust' is a good thing, certain expressions of trust may be harmful since they might involve individuals covering up for each other and thus reinforcing incompetence or even corruption. After all, organisations such as the Mafia or the Provisional IRA based their activities on high levels of trust! With regard to the second proposition, we cannot simply assume that the public and private sectors are as different and therefore complimentary as the theory suggests since there is contemporary research which suggests that the boundaries are becoming increasingly blurred and are less clear cut than is sometimes assumed (Antonsen and Jorgensen, 1997).

The above remarks are drawn largely from the UK's experience of switching from CCT to Best Value. Although there have been criticisms of the latter on the grounds that it failed to achieve all its aims as the previous paragraph points out, there seems little doubt that both CCT and Best Value have had significant impacts on local government's delivery of services in the UK. However, there are a range of other experiences across Europe which show that a similar shift in emphasis has taken place, albeit expressed in a variety of institutional settings. But perhaps there still needs to be a major research project undertaken by the Council of Europe to evaluate at this stage the results of these experiments.

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The role of the central state in regulating (or not) service delivery by local authorities

During the Keynesian-Welfare State period, regulation took place in line with the principal-agent model: in unitary states, the central government was the principal and it defined the parameters within which the service was delivered and this often little local discretion; in federal states, it was the sub-federal level such as the German Länder which performed this role vis-à-vis local governments. As we have there was a movement towards lessening such central government regulation as in the 'free commune' movement in the Scandinavian countries in the late 1980s and early 1990s. It was also during this period that the European Charter of Local Self-government was promulgated (1985) and (from 1988) began to be signed and ratified by the member states of the Council of Europe. The Charter has played a vital role in defining the relationship between local authorities and central governments and was essentially concerned to safe-guard local autonomy against the encroachments of the latter. This did not mean that central governments and parliaments kept their hands off the prerogatives of local governments. On the contrary, the temptation has always been to regulate. The monitoring reports of the Committee of Independent Experts of the Congress of Local and Regional Authorities of Europe illustrate many instances of this. Furthermore, the partnership approach mentioned above might also mean that central government is one of the 'partners' in particular services. However, in this case 'partnership' is definitely not between equals and the danger is that the centre will impose its will on the local. One example of this is the French system of regional planning which today takes the form of State-Region Planning Contracts (Loughlin, 2007). It has been very difficult for the regions to ensure that the State keeps its side of the contract.

Another problem which has arisen is the very concept of 'improvement' and 'reform' of local services (Grace and Martin, 2008). These are slippery concepts and will be applied according to particular ideological positions. For example, the neo-liberal concept is very different from the collaborative understanding. The first means primarily greater efficiency in the sense of cost-cutting; the second means greater effectiveness through the involvement of different groups in the design and implementation of the service. But in either case, it is often the central government, particularly during a period of reform, which today is almost always, which decides on how these concepts are interpreted and applied. The evaluation of reforms and improvements are also undertaken by central government or central institutions such as the Audit Commission in the UK.

The challenge here is for local authorities to become essential interlocutors with central government in both the definition and evaluation of reforms designed to 'improve' local authorities' delivery of services (De Groot, 2008). This means recognizing 'learning from within' as part of a self improving, holistic system. It recognizes local community leadership and partnerships based on shared accountability and trust. It recognizes the role of councils and local public services as autonomous actors and not simply as the 'agents' of the central government. Central governments have adopted the rhetoric of the collaborative model but have not always translated this into real world practice.

The involvement of citizens in service delivery

We can examine this from the angles of our three models of the state and local government which give us three models of citizenship. The first is the Keynesian-Welfare State model in which citizenship is primarily national and democracy is understood as representative. Citizens receive benefits – services – because of their social citizenship which gives them a set of rights to share in the riches of the national society. This is achieved through redistributive mechanisms and delivered by local authorities on behalf of the central state – or the national polity. The concept of citizenship in the neo-

liberal model is quite different. Without denying national citizenship, this is also conceived as consumerist democracy. Citizens exercise their right to choice in market-type situations and local authorities should respond to these demands through providing a variety of choices of services or through allowing the private sector to deliver these services. In the United States, this is known as fiscal federalism and is alleged one of the rationales for decentralization of services to local authorities. Fiscal federalism has also been attempted in European states, particularly the UK, but has never been fully successful since it assumes that citizens are mobile (as they are to a large extent in the US) and can shift homes to avail of cheaper/more attractive services. Nevertheless, without going as far as US-type fiscal federalism, the consumerist approach has underlain the reform of local as well as national services in several European states. There is yet another concept of citizenship and democracy in the third collaborative model which is related to the concept of participatory democracy. The argument here is that citizens are not simply consumers but should be actively involved in the governance of the polity whether at the national, regional or local levels. In this way, the understanding of democracy itself has been enriched by including the notions of regional and local democracy alongside that of national democracy. This also links with the desirability that the users of local services should be actively involved in the design and delivery of these services. There are, however, a number of problems associated with this approach. First, what are the mechanisms for involving citizens? Should this happen on an individual or group basis? If the latter, which groups are legitimated to participate, whom do they represent, how is their participation validated? Are there legal mechanisms for doing this? The second problem is how to relate these kinds of citizen participation with the democratic legitimacy of local politicians who are elected through the ballot box. Despite these problems, this approach has been developed extensively throughout Europe and further afield. We might think of the Dutch model of 'interactive policymaking' or the Brazilian approach to 'participatory budgeting' which was recently recommended as an approach to be adopted in a recent Irish Government Green Paper on Local Government.

The European Charter of Local Self-government, as already mentioned, was primarily concerned with protecting local autonomy vis-à-vis central governments and paid little attention to the relationship between local governments and their own citizens. I understand that a new Protocol to the Charter is being prepared which deals with this issue. I would like to draw your attention to the Guidelines on Effective Decentralization drawn up and approved by the Governing Council of UN-Habitat and also approved by the Council of Europe. The Guidelines were inspired by the European Charter of Local Self-government but develop the notion of local autonomy protection by developing the aspect of participatory democracy which, as we have said, is largely absent from the Charter. The Charter and the Guidelines provide two complementary documents for promoting local democracy in its fuller sense.

4. Conclusions: regional and local authorities faced with the global crisis

This paper has outlined a series of 'models' which have influenced both central-local relations and the nature of service delivery since the Second World War. This is not to suggest that each of these 'models' exists in isolation but rather that, at different periods, one of them becomes dominant without completely replacing the previously dominant one. For example, although the neo-liberal model seriously challenged the Keynesian-Welfare State model it did not, of course,

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abolish the Welfare State nor government economic planning. On the contrary, these are still with us but what has changed are the context in which they operate – a globalized world -, their basic operating culture and the meanings attached to notions such as services, democracy and citizenship. Neo-liberalism has also helped to reconfigure the shape of the territorial governance of the state, whether this is a unitary state or a federal states.

The very concept of decentralization is different in a neo-liberal model from what it is in a Keynesian-Welfare State model. Similarly our third collaborative has retained much from the previous neo-liberal hegemon – notions such as competition and the role of the market – while tempering them with ideas such as a positive understanding of the public sector, partnership and participatory democracy.

Today, however, both neo-liberalism and the collaborative model are being seriously tested by the global financial and economic crises. To a large extent the globalisation which began to take off in the 1980s was a form of neo-liberalism and national governments as well as international organisations adopted a 'hands-off' approach to its regulation with the disastrous consequences we are witnessing today. The question for this conference is what are the implications of this for regions and local authorities. We might remark that it is interesting that the heyday of political decentralization and the emergence of political regions was precisely in the 1980s and is probably closely connected to the wider processes of neo-liberal globalisation. This was not least because during this period there was a rising tide of economic prosperity and, at the same time, national states that wished to deregulate and shed cumbersome functions to other levels of government. Today, we are entering a new era of economic contraction and even recession but it is not yet clear to political actors and organisations what are the appropriate policy instruments to respond to these challenges. It is certain that we cannot return to the old Keynesian-Welfare State model because the world has irreversibly changed since the 1960s. The great danger is that notions such as regional and local autonomy and democracy will be regarded as luxuries as central governments begin to tighten their collective financial and regulatory belts to cope with the crisis.

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Keynote speech:

Embrace reform and future generations will thank you

Ladies and gentlemen, distinguished guests

It is a great pleasure for me to speak here today. Today's agenda consists of themes that are highly topical in all Member States of the Council of Europe and even in a wider context. This pre-conference will certainly fulfil its role for paving the way for the Council of Europe's Conference of Ministers responsible for Local and Regional Government, which will be staged in Utrecht in autumn 2009.

Local democracy is a cornerstone of democracy in all European countries. Almost all members of the Council of Europe have ratified the European Charter of Local Self-government, thus recognising that effective and democratic local government is an inseparable part of their democratic structure.

The mere existence of local and regional self-government institutions is not enough. What matters is the quality of democratic life at local and regional level, in other words, governance at local and regional level. The most concrete action related to people's social rights is taken at a local level. Those who are most exposed – children, elderly people, ethnic minorities, those who are physically or mentally challenged and so on – are the ones to face human rights issues on a daily basis in their own local environment.

Local and regional democracy is an issue worth discussing at a European level. Be it from whichever angle, local and regional democracy is an issue in all countries: to secure an optimal level of services to citizens in the quest for efficiency and economies of scale; the need to rationalise the territorial setting of the state; the need to bridge the gap between communities, citizens, and institutions; to make democratic life vibrant, to prevent exclusion; and to meet the legitimate expectations of those living in the community.

Today I will concentrate on the challenges that our local and regional governments are faced with. I shall start with an issue causing much concern around the world at the moment, namely the financial crisis. The financial crisis has brought about a greater need to revamp our administrative and service production structures at the local and regional level. In Finland, we have been restructuring municipalities and services already since 2005 and I therefore wish to share some of our experiences of the reform with you. Lastly I will focus on the challenges our democracy is experiencing today and how these challenges can be met at the European level. This all links my speech to the theme I was given for this presentation, namely my report on how to enhance the work of the Council of Europe in the field of local and regional democracy.

Distinguished participants,

The operational environment of local and regional administration has undergone dramatic changes in the past few months. The economic crisis has affected countries all over the world and created new challenges for local governments, which in many countries are responsible for providing most of the main welfare services.

The financial crisis is not, however, the only trial governments will have to deal with in the coming years. Demographic changes and mounting costs in the basic services are some of the future challenges in all of Europe. In Finland, as I assume is the case in other countries too, the current financial situation has brought the impact of the future challenges, which only a while ago seemed so far in the future, right to our doorstep.

The pressure to find more cost-effective ways to deliver services is much stronger now than it was a year ago. Equally, the demand for economically more sustainable and comprehensive service structures has grown.

The need to restructure the organisation and production of services was recognised in Finland already in 2005, when the Finnish Government launched a reform to restructure municipalities and to strengthen the organisation of basic services for which the municipalities in Finland are responsible. When launching the reform, our Government recognised its responsibility and initiated this difficult process for the benefit of future generations.

The aim of the reform is to create a well-functioning and cohesive municipal structure. The service structure must be comprehensive and economically sustainable and must allow a cost-effective use of resources. Our reform aims to create a sound structural and financial basis for public services, so that we can secure the organisation and provision of these services in the future too. In the European context, the question is how Finland can carry on adhering to the principle of public sector responsibility to ensure that every resident in Finland has access to services in education, social welfare and health care no matter what their level of income or which part of the country they live in. And, of course, we want to maintain the high quality of these services.

The current economic crisis obviously has a serious impact on municipalities, too. Our public finances are affected by the rapid decline in tax revenue and this will have a significant effect on local government finances too. For this reason, our government just recently took decisions that will strengthen local government finances yearly by approximately 600 million euros. In relative terms, this means an extra 9 % to the state's transfers to municipalities. More measures to support local government finances can only be implemented if local authorities make long-term plans to keep general cost developments moderate. This highlights one of the fundamental points in our reform: that productivity needs to be boosted to make sure services remain available to all. And because of the economic crisis, this has become even more important than it was in 2005 when the reform was launched.

Ladies and gentlemen,

Our reform is based on The Act on Restructuring Local Government and Services, a framework act that came into force in February 2007. It provides guidelines and a framework for restructuring local government and services. The legislative and administrative reforms required for carrying out the reforms should be completed by the end of 2009. The framework act is in force until the end of 2012.

The objective of the framework act is to strengthen local government and service structures. Under the act, municipal structures are consolidated by means of municipal mergers. Service structures are strengthened by forming larger catchment areas for service areas where the population base in individual municipalities is too small and by creating closer cooperation between municipalities. The reform has proceeded well. Just a few observations on our results so far. The consolidation of municipal structures has progressed fast. Since the beginning of 2009, the number of municipalities has decreased from 415 municipalities to 348. In addition, many municipalities are setting up partnership areas.

Our topic today is innovation. In Finland, there has already been much discussion about innovative service concepts in the public sector. Service innovation consists of a new or significantly improved service concept that is adopted into practice. It can be, for example, a new customer interaction channel, a distribution system or a technological concept or a combination of these. A service innovation has to include elements that can be identified and systematically reproduced in other cases or environments. In the case of our reform, it is quite clear that new municipal structures alone will not be sufficient to safeguard the quality of services that can be delivered more effectively and are accessible to all. We need to

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find ways to develop new and innovative service concepts. This is why in the coming years the reform will need to focus more strongly on services, on their cost-efficiency and especially on their quality, and less on structures. It is, after all, the people and their needs that must always come first.

Dear participants,

The challenges our democracy is confronted with appear to be quite similar across whole of Europe. A drop in voter turnout rates in elections has taken place in many of countries in the past decade. People also seem to show less interest in party politics, and they are not particularly interested in having a say through the institutions of representative government. The unstable economic situation also has plays a part in local and regional self-government and in democracy. The current situation might overshadow questions of democracy, when municipalities struggle with mounting financial problems.

These developments are the result of overall changes in the environment surrounding local governments. The local environment is changing constantly in not only economic terms but in social and institutional ways too. There are new phenomena such fragmentation, localised visions and a high degree of individualism. For local governments and local democracy, this means more unpredictability, wider cooperation, multiple actors and lower formal organisational boundaries.

It could be said that democracy today has to cope with two main kinds of challenge. There are structural challenges that relate to the growing complexity of our local, regional and central government system. This escalating complexity makes it more complicated for local councillors and citizens to participate in local activities. Secondly, there are major obstacles in terms of attitudes too, especially where citizen participation is concerned, but even in the case of elected officials. It seems that the increasing demands for efficiency in recent decades have led to an appreciation of strong professional management, where political leadership only plays an insignificant role. These attitudes have meant that public administration is predominantly permeated with experts and lack of transparency. According to many recent studies, people with various social problems are not interested or able to participate in local government activities. No matter what the financial situation is, we should find ways to encourage especially these special groups with their skills and possibilities to take part in and influencing local affairs.

To be able to deal with all these challenges, we have to understand that our democracy itself is in transition. Democracy in the new global context means a policy mix of our current representative and well-functioning system and more participative forms of democracy. This point cannot be overemphasised, and these two "columns" need to be understood as a single entity and to be developed as such. In addition, especially local and regional democracy needs to be developed without prejudice and in citizen-oriented ways. We should see this development work as a valuable investment in the future, even in these hard economic times.

We must ensure that economic and financial difficulties do not hamper the development of democracy. Even though the problems in our local and regional governments are becoming more complex, citizen participation must be ensured in future too. The expanding role of experts must not be allowed to dominate at the expense of local councillors and inhabitants. The civic society must remain active. The openness and transparency of government should be seen as basic values that guide our decision-making processes. We should also devise new ways to enable people to participate more and to make the existing participation practices more effective. Even – or should I say especially – in today's globalised

world, decision-making should take place as close to the people as possible.

Beside the responsibility of individual states, we need intergovernmental cooperation to improve de-mocracy on the global level. Different countries can and must learn from each other in developing democracy. The Council of Europe serves as an excellent institutional structure and as a functional forum for discussing these matters at the European level.

At this point I will outline the final draft of my report on How to enhance the work of the Council of Europe in field of Local and Regional Democracy. The report has been under preparation for a year now. During this time it has undergone two consultation rounds between governments and other actors, and an open workshop was held in March where high officials from 12 countries discussed the draft report.

Nonetheless, I still wish to point out, that this report does not deal with policy content issues with approaches and methods of work. In the ministerial conference of Valencia in 2007, it was a courageous of the Dutch minister Mr. Frans Timmermans to see beyond the high politics and recognise the need for an organisational review and to take the initiative for this report. The world around us evolves and policy themes change, so why should we expect the ways and means of working should remain unchanged in the Council of Europe?

Learning from each other by exchanging information builds on the common basis that the European states share in their legal traditions and institutions. More importantly still, they have a fundamental common objective: to deliver the best possible quality of local and regional governance to their citizens. In today's age of globalisation and democratic demand, nations are under both external and internal pressure to perform. European countries must evolve continuously and adapt themselves to changes, and they need to take the opportunity to learn from each other how to tackle these challenges.

The Council of Europe is ideally suited to cater to the "learning State" in the area of local and regional democracy.

First of all, the Council of Europe can broach the issue from all angles: democracy, citizen participation, local finances, institutions of local democracy and relationships with central government organisations.

Secondly, it offers an institutional structure that brings together all relevant actors: the Ministers and public servants of foreign affairs through the Committee of Ministers, the Ministers responsible for local and regional government through their Ministerial conference; central government public servants through the Steering Committee and expert committees, national parliamentarians through the Parliamentary Assembly, non-governmental organisations through the Conference of International Non-Governmental Organisations, and elected local and regional representatives through the Congress. As an important footnote, I'd like to mention that a prerequisite for efficient work is a well-functioning relationship between intergovernmental actors and the Congress. The Congress has on its part engaged in an internal reform process that should be completed by late 2009.

Thirdly, it provides strong methodology and tools. In addition to a wide-ranging normative acquis, a solid base of information, knowledge and know-how has been developed.

Fourthly, the Council of Europe has become much more active in the field of implementation of standards and servicing the concrete needs of individual member states. This is a relatively new trend that has so far been made available especially to the most recent member states. Programmes for democratic stability and the Centre of Expertise for Local Government Reform are powerful instruments for country-specific work, which provide assistance to governments in the field of legislative reforms and to local authorities and their associations in the field of capacity building.

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The intergovernmental work of the Council of Europe in the field of local and regional democracy aspires to contribute towards attaining the goal of "greater unity" between member states. It has four functions:

- Exchange of information and practice between member countries – building up common knowledge and know-how;
- Development of common standards and guidelines, such as conventions, recommendations, major reports;
- Promotion of and assistance in the implementation of or compliance with standards through targeted "assistance and co-operation" activities.
- Evaluation of results.

Activities of an organisation such as the Council of Europe are based on the will of the member states. On the ever more complex and compact European playing field, member states run the risk of losing sight of the unique opportunities the Council of Europe offers and the specific *modus operandi* required to achieve maximum effectiveness.

For instance, it is important to remember that, unlike the EU, the Council of Europe is neither a further level of government where detailed and legally binding norms are created nor is it a source of major financial transfers.

A further aspect of the work of the Council of Europe in general is the regrettable fact that sectoral ministers do not always have the will or the possibility to take ownership of the cooperation they are involved in. The CoE is run by foreign ministries, whose perception of the political value of sectoral cooperation is influenced by their goals, which are, quite naturally, related to issues such as conflict-solving concerns and post-crisis intervention. In metaphorical terms, there is a tendency to use the *acquis* of the CoE to restore a broken house rather than using it as a tool for home-improvement and maintenance.

I will now provide a quick overview of the four chapters of the report. I will highlight only one or two points in each chapter, which means that most of the action proposals will not be mentioned.

The first chapter called "Stronger ownership by member states" looks for ways to improve the commitment of Member States. The Council of Europe has been and still is an organisation mainly led by representatives from ministries of foreign affairs, and the less glamorous contexts such as ours often remain unnoticed. The proposal is, therefore, that the role of our sector's ministerial conference is to be sharpened and that the ministries of our sector within the respective Member States should seek closer cooperation with the ministries of foreign affairs in charge of the Council of Europe. The challenge is to activate governments to participate in the work in the Council of Europe and to dedicate themselves to it. All too often there is a feeling at various levels of work related to local democracy that since we have been invited to a meeting we will attend but don't expect more from us. Or the ministries are frustrated with inquiries sent from Strasbourg. In order to escape the feeling of obligation, we need to take action and change our attitudes.

Perhaps the most political point in this chapter is the idea of a Speaker or Ambassador for Local and Regional Democracy. In my opinion, it would be a good idea to appoint a minister between ministerial conferences to raise the profile of this work by means of the minister's own personality. The purpose is not to create a powerful new actor but a good-will ambassador instead.

The second chapter "Improved co-operation with international players" deals with the part of the Valencia mandate that emphasises cooperation with other international structures. In the action proposal, I have stressed the importance of internal information sharing and coordination by the governments of the Member States. International cooperation is intergovernmental work. Absurd, but still very familiar, are the situations where an EU legislative proposal affecting a given Ministry's mandate is under preparation by a different Ministry, and the first Ministry only becomes aware of the proposal's existence through the media. A similar situation may arise when we wonder why two international organisations, for example, are busily working on the same issue.

What is clear from these examples is that the Council of Europe is the right forum through which information in cases such as the first one could be obtained smoothly. Both situations, though, basically involve the same need: coordination of cooperation must begin within the governments of the Member States; they should not wait until the problem reaches the international arena.

The third chapter discusses the efficiency and flexibility of the organisation. Material of a slightly more technical nature is included in this chapter. I would like to raise two points in this context. The first is the question of the budget. This concerns the operations of the whole of the Council of Europe. The budgeting practices of the Council of Europe do not appear to be particularly transparent, responsibility is not delegated sufficiently and the administration of long-term projects within its framework is cumbersome. It would undoubtedly require a great deal of work to modernise practices and increase the efficiency of the use of funds. This is especially true when there is a strict zerogrowth policy for bodies other than the Court of Human Rights.

The second point is cooperation with the Congress of Local and Regional Authorities. The Congress's role in promoting democracy at the local and regional level is particularly important and plays a unique institutional role in the structure of the Council of Europe. Some effort is still required to achieve smooth collaboration between the Congress and the intergovernmental sector. In this report we extend the hand of cooperation and we are holding great hopes for the Congress's own internal assessment work, which was launched in November.

The last point is the opening up of the Council of Europe's work in promoting local and regional democracy both in terms of communications and also geographically. Communications must evolve to meet modern global requirements. Doing a good job is not enough if the results fail to reach the target group. There is a lot of room for improvement here. However, I do not believe that by going into a lot of detail is a good idea in the context of this report. What is needed is a separate, comprehensive communications strategy for the whole of the Council of Europe.

Perhaps politically the most significant issue in the report is to be found in this headline. At some stage, the Council of Europe will have to begin providing systematic expert assistance in developing local democracy in countries where it is needed most. These countries are beyond the borders of the Council of Europe, and at present it is not practically feasible to provide assistance to these countries within the framework of the Council of Europe's activities. This is an issue that should be resolved at the level of the entire Council of Europe. So far, opening up to the outside world seems to have been taking place on a case-by-case basis, without a clear strategy.

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Ladies and gentlemen,

Thank you very much for your attention, and please allow me to make just one last point. I have focused on the main challenges our local and regional government are currently contending with and will face in the future. Considering these wide and complex challenges, there should be no doubt about the need for an innovation agenda for regional and local government in Europe.

I am convinced that this academic pre-conference and the discussions to be held here during these two days will give us excellent ideas on how to direct the future work of local and regional governance in our own countries and in the Council of Europe.



Conference Programme

08:30-09:30 Registration of delegates and participants

09:30-09:55 Plenary Opening Session

- Welcome on behalf of the University of Twente; prof. dr. Ed Brinksma, Rector Magnificus
- Opening Address by Ms. dr. Guusje ter Horst, Minister of the Interior and Kingdom Relations
- Opening speech by Ms. drs. Andrée van Es, Director-General for Governance and Kingdom Relations, Ministry of the Interior and Kingdom Relations

09:55-10:35 Forum discussion (followed by discussion with audience)

The need for an innovation agenda for regional and local government in Europe; Moderator: prof. dr. Robin Hambleton, University of the West of England, Bristol

- Director-General for Governance and Kingdom Relations, Ministry of the Interior and Kingdom Relations, Ms. drs. Andrée van Es
- Queen's Commissioner, Province of Overijssel, Mr. Geert Jansen
- Mayor of the City of Hengelo, drs. Frank Kerckhaert
- Chairman of Centre for the Study of Democracy, University of Twente, prof. dr. Jacques Thomassen

10:35-11:00 Coffee Break

11:00-12:00 Keynote speeches

- Prof. dr. John Loughlin, Cardiff University
- Ms. Mari Kiviniemi, Minister of Public Administration and Local government, Finland (presentation on her report for the Council of Europe)

12:00-13:45 Lunch

13:45-15:45 **Parallel working group sessions**

1. Renewing democratic participation
(prof. dr. Kees Aarts and prof. dr. Bas Denters)
2. Local and regional governments in the age of Europeanisation and globalisation: legal and policy options in a multilevel polity
(prof. dr. Ramses Wessel and prof. dr. Michiel Heldeweg)
3. Innovations in local and regional finance, public service provision and financial management
(prof. dr. Nico Mol and drs. Johan de Kruijf)
4. New forms of transborder and inter-territorial cooperation at the local and regional level
(prof. dr. Nico Groenendijk)

15:45-16:00 **Break**

6:00-16:30 **Bus transfer to Roombeek (city district of Enschede)**

16:30-19:00 **Excursion Part I: Roombeek (City of Enschede)** **Theme: New forms of citizen engagement**

- Welcome by Mr. Eric Helder, Deputy Mayor of the City of Enschede
- Reconstructing Roombeek: joint presentation Mr. Eric Helder and prof. dr. Bas Denters, University of Twente
- Excursion through Roombeek area

19:00-19:30 **Bus transfer to Lattrop**

19:30-21:30 **Excursion Part II: Conference Dinner** **Dinner at venue in Lattrop**

- Welcome and speech by Queen's Commissioner of Province of Overijssel, Mr. Geert Jansen
- Speech by the Minister for Regional Development and Construction, Ukraine, Dr. Vasyl Kuybida

21.30 **Bus transfer back to Enschede**

Conference Programme

09:30-11:15 **Continuation of working group sessions**

11.15-11.30 **Short Break**

11:30-12:30 **Interlude I: Cross-border cooperation in practice**
Chairman: prof. dr. Nico Groenendijk, University of Twente

- Introduction by drs. Frank Kerckhaert, Mayor of the city Hengelo (also representative of Netwerkstad Twente)
- Presentation of concrete examples: Risk map and police cooperation

11:30-12:30 **Interlude II: Consequences of the financial crisis for local and regional government**
Chairman: dr. Shawn Donnelly, University of Twente

- Presentation prof. dr. Ken Davey, University of Birmingham
- Discussion

12:30-13:30 **Lunch**

13:30-14:45 **Continuation of working group sessions**

- Discussion of working group reports

14:45-15:15 **Coffee break**

15:15-16:00 **Plenary Closing Session**

- Forum discussion with chairmen of the working groups and some practitioners; moderation: prof. dr. Robin Hambleton
- Presentation of results
- Closing Ceremony: dr. Anne Flierman, Chair of the Board of University of Twente

16:00-17:00 **Drinks**





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