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EUROPEAN COMMISSION'S WHITE PAPER ON THE FUTURE OF EUROPE

Reflections and scenarios for the EU27 by 2025



VIEWS OF THE ASSOCIATION OF FINNISH LOCAL AND REGIONAL AUTHORITIES ON THE EUROPEAN COMMISSION'S WHITE PAPER

The Commission published a White Paper on the Future of Europe on 1 March 2017, presenting five scenarios for how the Union could evolve by 2025:

- **Carrying On**
The EU27 focuses on delivering its positive reform agenda.
- **Nothing but the Single Market**
The EU27 is gradually re-centred on the single market as the 27 Member States are not able to find common ground on an increasing number of policy areas.
- **Those Who Want More Do More**
The EU27 proceeds as today but allows willing Member States to do more together in specific areas.
- **Doing Less More Efficiently**
The EU27 focuses on delivering more and faster in selected policy areas, while doing less where it is perceived not to have an added value.
- **Doing Much More Together**
The EU27 decides to work together across the board.



The European Union's future direction will have an effect on municipalities and regions

The Commission's White Paper is an important step towards opening a debate on Europe's future. It is unlikely that any of the scenarios presented by the Commission will be realised as such; the Union is more likely to build its future on a combination of features from the scenarios. As a rule, the European Union is Finland's key reference group, and Finland needs a strong and unified Union that has a capacity to act. The EU's activities should benefit all of Europe: its citizens, Member States, municipalities and regions, businesses and NGOs.

Many of the EU's key legislative projects have substantial impacts on local and regional governments. European local and regional authorities' contribution to the implementation of EU legislation is necessary for the effectiveness of the entire system of legal acts. Finnish local authorities cannot stay on the sidelines in the developments taking place in the EU. Their interests in the EU's legislative process must be protected both in Brussels and in Finland.

The EU's 60 years of history has had many twists and turns. Europe is in a very different situation now than at the time of the Treaty of Rome, which marked the beginnings of cooperation. The geopolitical context has changed substantially. Many recent developments and decisions in Europe as well as globally have an influence on the future of the European Union. While some of the EU's challenges stem from the political situations of Member States, great many are a result of the world political situation. The EU has to prepare for negotiating Britain's withdrawal from the Union. Increasingly more attention needs to be paid to foreign and security policy, and common action is needed for strengthening the competitiveness of the European economy. The possibility of a new economic crisis cannot be excluded either. An ageing population and internal disparity are more or less a reality in most European countries. Peace and security are threatened by increasing terrorism and instability in the EU's neighbouring countries. In terms of the future, if Europe is to maintain its global standing and improve the well-being of its citizens, it must be unified and capable of cooperation.

Many European countries are small players on the global stage. For them, striving alone for welfare and competitive edge is a challenge, whereas as members of the European Union they have a much wider sphere of action. With 500 million citizens, the Union's importance is immense compared to that of a small state. Still, Europe draws its strength from unity.

It is essential that the EU's competences are clearly defined and that the Union should act resolutely in these policy areas. A key problem has been that communications about the EU over-emphasise its role and capacity to act. It follows that citizens' expectations of the EU may be unrealistic and, in the end, they feel disappointed at the Union's inability to deliver solutions. One reason for this may be that people do not fully understand the distribution of competences between the EU and national governments.

While it is useful to allow multi-speed development between some countries, the general rule should be that EU regulations apply across the Union. For example, how is it possible that environmental legislation relevant to local authorities is implemented in only some parts of the EU? If the regulations apply to only some of the Member States, does it make sense to regulate areas such as public procurement or data protection? The division between the euro-

zone countries and non-euro countries is causing difficulties already. In the current EU, some Member States can cooperate closely, but this should not become the new principal rule.



European values

Europe is the sum of its parts. Competitiveness varies across regions, and there are wide cultural differences between European countries. We should consider this diversity a source of richness and an asset in building the Europe of the future. We should also uphold common European values. Human dignity, freedom, democracy, equality and the rule of law are values that Europe has had to fight for. It still needs to carry on its work for these values, because their continued existence is far from self-evident.

The EU has recognised many problems because it has listened to the voice of its citizens, often critical of the Union. The EU and its Member States need to pay attention to the interaction with their citizens. The European Union has to be a citizens' Union.

The White Paper summarises the pros and cons of the different future scenarios in terms of citizens' rights. It would have been useful to include fundamental rights in these summaries and clarify what each scenario would mean with respect to these rights. In the future, the European Union will have to uphold its common values in order to maintain the rule of law, democracy and human rights and for Europe to have a leading role at global level.

Local and regional characters as an asset

In recent years, the EU's legislative processes have not paid enough attention to the special features of Nordic societies. Features such as the principle of public access to information, sparse population density and the importance of the local level would require specific solutions in the pan-European legislative development. Local governments in continental and southern Europe function very differently than the ones in the Nordic countries. EU regulations directly associated with local government functions and duties often burden Finnish local and regional authorities more than their counterparts in the other Member States.

Discussions are underway on the future of cohesion policy beyond 2020. The purpose of cohesion policy is to even out regional disparities and thus strengthen Europe as a whole. Despite the fact that Finland's share of cohesion funds has been reduced from one programming period to the next, the funds are very important for municipalities and regions. Cohesion funds often provide the impetus for launching larger projects. The three aspects of cohesion policy — economic, social and regional — are perceived as an increasingly more important guarantee for unity. The future of cohesion policy is in the hands of Member States and their citizens, but even so, cohesion policy is strongly tied up with the EU's budget, and the implications of developments such as Brexit cannot be overlooked.

Regions are free to decide on the allocation of structural funds in their area, but only within a specific framework imposed from elsewhere. Attempts are made at EU level to find ways to make cohesion policy more transparent and bring it closer to citizens.

Economic and Monetary Union and social policy reform

The Commission's White Paper pays little attention to the development of the Economic and Monetary Union (EMU) even though many of the proposed steps towards integration relate essentially to it. EMU's design flaws should be analysed in depth and solutions should be found for them. The European Central Bank plays a pivotal role in EMU's implementation; yet, there is no intention to reinforce its role.

Economic policy has undergone notable changes over a relatively short period of time; it is too early to assess whether these changes have removed imbalances in public finances or promoted economic growth. It is therefore of primary importance to appraise the impacts of action so far taken and take corrective measures, where needed, before making new decisions on deepening economic integration.

The White Paper says little about the increasing disparity or segregation across Europe. Health and well-being disparities between citizens are set to increase if the EU moves towards a multi-speed Europe. The examples chosen to illustrate each scenario should have included socioeconomic improvements. The EU's economic competitiveness, welfare of citizens and social justice must be developed on an equal footing. The linkage between social policy and EMU is somewhat artificial; instead, the two could be considered as separate instruments for further developing the Union. However, EU action should not limit the right of Member States to define the fundamental principles of their social security systems. Care should be taken that various steering mechanisms do not lead to overstepping the boundaries of EU competence.



Global migration

The Commission points out that a changing Europe may be inevitable. The key issues are how to influence change and which way to direct change. The EU cannot isolate itself from the global world. In its efforts to strengthen and improve the Union, it needs to consider large global changes, which will inevitably affect the EU's future.

The EU's refugee and asylum policies must be based on solidarity between Member States. In the White Paper, immigration is largely seen from the perspective of external borders management and coordination on security. The protracted crises in countries such as Syria and Iraq are not the sole factors shaping the future of migration. Already now factors such as population growth, climate change and impossible living conditions are causing migration pressure. Europe is seen as an opportunity not only within, but also outside its borders.

Close partnership with the neighbouring regions can contribute to migration management. Cooperation between parties operating at local level may improve the daily life of ordinary people. Partnerships can be used to address the root causes of migration. A good example is a project by the Euro-Mediterranean Regional and Local Assembly (ARLEM) of the European Committee of the Regions. The project is targeted at local and regional communities on the southern and eastern shores of the Mediterranean with a view to increasing their capacity and knowledge to address the general challenges to urban development.

The large volume of asylum seekers has led to a divergence of attitudes and growing hate speech and nationalism in Europe. Education and upbringing are important means of

disseminating information and influencing attitudes, and thus critical reading skills should be promoted across Europe. Support for European civil society exchanges should be included in all five EU future scenarios.

Capacity to deliver

For the credibility of the Union as whole, the EU needs to improve its policies and rationalise its legislation. It has been recognised at Union level that there are too many regulations and that some of them are also inappropriate and far removed from reality. EU legislation should focus on the essential substance of matters and leave out detailed regulation unless specifically needed. Measures for better regulation have already been taken to bring EU legislation to a right and reasonable level. However, this work is only just beginning, and more efforts need to be invested into it in the future.

The White Paper does not discuss the appropriateness of the EU decision-making mechanism despite its key role in developing the Union. Decision-making needs to be clarified and also accelerated in some areas. Local and regional authorities should be closely involved in decision-making by increasing the role of the Committee of the Regions. The Commission should reform its procedures to let citizens have their say before initiatives are put forward or projects are launched. Decisions taken close to people provide benefits for public well-being. People should be able to feel that they can influence matters that are important for the smooth running of daily life. The principle of subsidiarity should be emphasised.

The European Union of the future needs good decision-making capacity and transparency. Flexibility, simplicity and leaner administration are good goals for all EU activities.



EU policy objectives of the Association of Finnish Local and Regional Authorities

- EU decisions take into account the local and regional perspectives and the special features of the local authority based Nordic welfare model.
- A prior assessment is made of the administrative and economic impacts of EU legislation on local and regional authorities.
- EU legislation will be reduced and simplified.
- Competitiveness objectives are set in a way that promotes social justice and well-being.
- The role of the Committee of the Regions as a channel of influence for local authorities and regions is strengthened.
- Local authorities are given more opportunities to influence the preparation of EU issues at the national level.