

Vice-Eerste Minister en
Minister van Werk, Economie en
Consumenten, Belast met
Buitenlandse Handel



Vice-Premier Ministre et
Ministre de l'Emploi, de l'Economie et
des Consommateurs, Chargé du
Commerce Extérieur

**TOESPRAAK DOOR KRIS PEETERS
VICE-EERSTE MINISTER EN
MINISTER VAN WERK, ECONOMIE, CONSUMENTENZAKEN,
BELAST MET BUITENLANDSE HANDEL**

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King's Commissioner Van de Donk,
Professor Eijffinger,
Ladies and gentlemen,

A Europe of the regions is a Europe of the future. I am indeed a strong advocate of strong regions in a strong Europe. That was the case when I was still Minister-President of Flanders, but it is also the case today, when I represent the Belgian federal government. This isn't a contradiction. A belief in strong regions does not mean you do not believe in strong federal or national states. It merely means that you believe in subsidiarity. We have to take decisions at the right level. And that

is the level that is as close as possible to the people, but without losing the benefits of scale.

Now, the question obviously remains: how to define a region? The dictionary defines a region as 'an area with a certain character'. That character can be anything from historical aspects to geographical limits. When you trace it back to its very essence in Belgium, there was the language criterium. You had French speaking Wallonia, Dutch speaking Flanders, the bilingual area of Brussels and the small German speaking area in the east of our country.

In other countries, other definitions have been used. Most nations already know quite well where to trace the regional lines. Germany has Länder, France has Départements, The US has its states and the Netherlands has provinces.

This real interesting question is not how to draw those physical borders, it is how to draw political, institutional and economic borders.

In Belgium, we have a quite a bit of experience in this field. Our regions and the competences they can exert, have been constitutionally defined. We have a tradition of state reforms dating back to the 1960's. It has been a continuous evolution geared towards subsidiarity.

But this does not mean we are regionalists just for the sake of it. We need a strong federal government as well. When you talk about the military, security and intelligence services or social security, it is clear that scale is a very important national issue. On other issues, we have followed a more tailor made approach. Unemployment benefits for instance remain federal, because there is a risk of intra-federal competition and because it is an integral part of social security. On the other hand, the offices that help people find a new job, are regional. This is logical, because the labour market shows differences in the different Belgian regions.

A similar approach is followed in many other policy fields. Economy, fiscal policy,

transport and mobility, health and social affairs, the environment and even foreign affairs. In all these fields, state reforms have created an institutional canvas that puts the very essence of subsidiarity into practice. Every level of government clearly knows what it can and cannot do. Every level can focus on creating more welfare for our citizens and our companies.

But this in no way means we all go our own ways. On the contrary. The more we decentralize, the more we need to cooperate. Take foreign affairs for instance. Here the federal government clearly remains a key player, given the fact that many official diplomatic contacts are conducted on a federal level. However, the regions too have the right to develop proper foreign policies of their own. We use the '*in foro interno, in foro externo*' principle. This means that the competences the regions have, are also competences they can exert internationally. Regions even have the right to sign International Treaties.

This is how in my time as Minister-President of Flanders, we were able to boost the cooperation between us and the Netherlands. And the strange thing is, that it was a difficult dossier that proved to be the catalyst of this boost. It took us years to find agreement on the deepening of the river Scheldt. But during those years, we had so many contacts that we also found common ground in other areas. This led to several new initiatives. We organized the first ever joint trade mission between the Flemish and Dutch Governments. This took Minister-President Rutte and myself to Houston. But it wasn't just with the Dutch government that we strengthened the ties, but also with the provinces in general and the province of North-Brabant in particular.

That history proves that tensions can actually be a great catalyst for fruitful cooperation. "*Pressure makes diamonds*"¹. It also proves that we have to look at regional cooperation with an open view. We need multilevel governance because people today have a multi layered identity. You can feel Flemish, Belgian and

¹ George S. Patton, Amerikaans generaal, 1885-1945

European at the same. And new ways of cooperation can lead to new forms of identity.

But, ladies and gentlemen, this is not something that can be implemented top down. We have been thinking in fixed structures for a very long time. Countries, provinces, cities and towns. Politics aren't the right forum to introduce new structures, this is something that requires a bottom-up approach.

And there are many many opportunities for this kind of bottom-up cooperation. Especially on an economic level. When you look at the ARRA-cluster formed by the Antwerp-Rotterdam-Rhine-Ruhr-Area, you see a chemical cluster that is quite simply unique. In terms of innovation, presence of multinational companies and highly skilled people, this is by far the number 1 chemical cluster in the world.

It has immense potential to grow through regional cooperation. And the same goes for other industries, economic and academic sectors. ELAT, the Eindhoven-Leuven-Aachen triangle is a world leading region for new

technologies like 3D-printing or nanotech. And of course, there is our Delta region that includes the ports of Rotterdam, Antwerp, Terneuzen, Zeebrugge, Ostend and Ghent. Together, these ports form Europe's logistical gateway.

The success of one of these ports has positive and not negative effects on the success of another one. Because these ports are part of one and the same logistics chain. Working together will strengthen each other's specific assets.

So yes, ladies and gentlemen, regional cooperation can have great benefits. But, as I mentioned, it has to be a bottom-up effort. You can lead a horse to water, but you can't make it drink. However, here too, I believe that pressure will be a catalyst. Turning back to the ARRA chemical cluster, we see that the shale gas evolution in the United States creates existential questions for our European industry. To hold on to the metaphor, this is what will make the horse thirsty. Our industry

will need to pool efforts in order to tackle this challenge.

In doing so, they should be able to rely on governments and regional administrations to support their efforts. We should fuel this kind of cooperation. By bringing stakeholders together. This is why I launched the Vanguard Initiative in 2013. This initiative initially assembled 10 of the strongest industrial regions in Europe. In the meantime it has grown to a group of 25 regions including the Belgian regions, but also Scotland, Catalonia, Northrhein-Westfalen and the Dutch regions Randstad and South-Netherlands. The goal of this initiative was and is crystal clear: to support entrepreneurship and boost innovation by stimulating cross-border cooperation.

At the same time, we have to work at taking away administrative and legislative obstacles for cross border cooperation. This is why labour mobility is such an important theme. It is regrettable that the new plan for promoting labour mobility in the EU is delayed. Because the system needs to be fixed. We have to align

social policies because these make it easier to work in another member state while at the same time helping to bring down the widespread social dumping practices.

This issue also shows that federal and national governments can and should play a role in promoting regional cooperation. In Belgium, it will be the federal government that negotiates this package on the European level. But in doing so, we will take into account the region's positions and interests. Because that is what modern federalism should look like.

Ladies and gentlemen,

As you see, I fully support cross border regional cooperation. At the same time, my key message is that this kind of regional cooperation can only thrive if there is internal cooperation between national and regional administrations.

Any country and any region that wants to boost welfare through regional cooperation, should

therefor start by an internal discussion on the role of the regions. This is different in every country and it is an entirely sovereign issue. My only and personal advise, is that subsidiarity is a great foundation to build this discussion on.

Subsidiarity is what drives regional development and therefor also regional cooperation. Subsidiarity is our compass on our path to a Europe of the regions.

I thank you.