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Responses to the economic crisis must be coherent at all tiers of governance

Strasbourg, 30.10.2013 – On 29 October 2013, during their Session in Strasbourg, France, the Congress of Local and Regional Authorities of the Council of Europe adopted a report on responses by local and regional authorities to the economic crisis. This report, which was prepared by the two Co-Rapporteurs, Svetlana Orlova (Russian Federation, EPP/CCE) and Barbara Toce (Italy, SOC), follows on from a series of debates organised by the Congress since 2008. The Rapporteurs called for local and regional authorities to be recognised as fully-fledged stakeholders in dealing with the crisis and for the establishment of regular consultations between these authorities and the national authorities in order to ensure policy coherency.

Presented by Barbara Toce, the report points out that in 2009-2010, local revenues fell in many European countries, with reductions of up to 20%. "In this context of dwindling resources, local and regional authorities have been called on to increase social assistance for their citizens, many of whom have found themselves in situations of growing economic hardship", said Barbara Toce.

The texts adopted advocate reinforcing the competences of local and regional authorities and ensuring that the national authorities consult them when preparing economic and financial policies. Ms Toce added, "responses to the crisis must be coherent at all tiers of governance, calling on the solidarity among the national, regional and local levels".

The Congress recommendation calls for increased budgetary and fiscal autonomy for the local and regional level, and advocates stability in intergovernmental transfers to communities budgets. Ms Toce concluded as follows: "financial policy must focus on reviving investment in order to stimulate employment, innovation and economic growth, rather than relying solely on austerity measures, which are liable to have a knock-on effect on the local labour markets and threaten local growth possibilities".

During the debate, a joint declaration by the Presidents of the Parliamentary Assembly and the Congress of the Council of Europe, Jean-Claude Mignon and Herwig van Staa, was presented to the participants. It calls upon the national and regional governments and parliaments of all Council of Europe member states to make the issue of healthy and sustainable local and regional budgets a matter of national priority. This declaration also confirms the commitment of both bodies to cooperate "so as to ensure that the voice of "Greater Europe" be heard when it comes to preserving the capacity of action of local and regional authorities, which are the democratic institutions closest to the citizens and thus represent the foundations of European democracy."

[Report CG\(25\)5PROV](#)

[Joint declaration](#)

Video of the debate : [Original](#) | [French](#) | [English](#)

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The Congress has two chambers, the Chamber of Local Authorities and the Chamber of Regions. It brings together 318 full and 318 substitute members representing more than 200 000 European territorial communities.

President of the Congress: Herwig Van Staa (Austria, EPP/DC), President of the Chamber of Regions: Nataliya Romanova (Ukraine, IDLG), President of the Chamber of Local Authorities: Jean-Claude Frécon (France, SOC)
Political Groups: Socialist Group (SOC), Group of the European People's Party – Christian Democrats (EPP/CD), Independent and Liberal Democrat Group (ILDG), European Conservatives & Reformists Group (ECR)