

**The North**

A REGION  
OF THE



**European Union**



Tyne Bridge, Newcastle. Photo: COI Picture Library

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The term “European Union” stemming from Maastricht is preferred in this text. However, whenever funding programmes or policies/laws stemming from the original EEC or ECSC treaties are referred to the term “European Community” is used.

### **The North of England:**

'The North of England stands at the head of our league' of the worlds top locations for foreign direct investment.  
(Plant Location International, 1993)

'in the last two decades, declining fortunes and rationalisation within these industries (coal, iron and steel, and shipbuilding) has seen the loss of some 200,000 jobs' (nearly one job in every six!)  
(Portrait of the regions, Eurostat)

### **The European Community:**

'In order to reverse the course which our societies, bedevilled by unemployment, are taking, the European Union should aim to create 15 million jobs by the end of the century'  
(Growth, competitiveness, employment. White Paper by the European Commission, 1993)

'... the Community needs to get back on to a growth path...'  
'...we need a great job content in growth. This is where we have gone wrong in the past...'  
'...we need...medium and longer term measures to improve our competitiveness..'  
(Explanation of the message of the Commission White Paper)

### **The North, and the Community:**

Success for the Community and the North, also depends on reduced inter-regional disparities. The Commission job creation objectives, using population ratios, would mean the creation of 130,000 jobs in the North.

With the successful application of Community regional, urban regeneration, industrial restructuring, social and employment policies, the aim must be to do better than the EU average.

### **The role of Europe for the North:**

An open market, a single market, for Northern industry and services. An opportunity to compete successfully, using local expertise, skills, developed R & D Facilities, modern communications and improved physical infrastructure.

Support from the EU for investment, adaptation, and change Finance, under Objectives 2, 3, 4 and 5b for assistance Special support from Community initiatives: Konver; Rechar; Renaval; Retex; Comett; Lingua; NOW; Euroform; Horizon; Thermie.

## General Introduction

**T**he dynamic diversity of the European Union is embodied in its regions. The Union, a Community of 12 Member States where decisions are taken by Ministers responsible to national parliaments, is committed to preserving this diversity as it advances towards ever closer integration.

Each of the regions of the European Union has its own particularities. Each is affected by Community policies. The increasing recognition of this fact underlies the vast growth in cooperation between the regions, from the humblest twinning links to large cross-frontier spending programmes such as INTERREG, which addresses the problems of border regions. Cross European links in transport, energy and telecommunications are being initiated from the smallest to the greatest. These links are the nerves of the European Union as a Community with a common purpose based on national and regional self-interest with a blossoming regional diversity.

### Development of the Regions

The removal of frontiers has brought regions in direct contact with each other. There are increasing trans-frontier exchanges and cooperation on projects. Many policies of the Union will be of special benefit to the regions. Just to mention a few, competition policy has helped create a level playing field where firms from all regions can compete on fair terms on EU markets; the deregulation of transport policy has cut the cost of moving goods between the regions. Small and medium-sized enterprises (SMEs) have been among the prime beneficiaries of EU action. Measures include helping them make contacts with partners in other countries and provide them with business start-up aid.

The harmonious development of the regions can be achieved only by reducing the disparities between the economically strong and the less advanced among them. This is why the European Union is committed to re-allocate more of its resources (25% of its budget) to the regions which are lagging behind. The Structural Funds consist of the European Regional Development Fund, the guidance section of the Agricultural Fund and the European Social Fund. Nearly two-thirds of the money goes to disadvantaged priority

regions, based on priority objectives. The aim is to help regions seriously affected by industrial decline and to promote the development of rural areas.

The European Union must also promote the balanced social development of its regions. The citizens benefit from education, training and mobility programmes. These include help for technology training, vocational training for young people, as well as student exchanges under the ERASMUS programme.

### The Single Market

Community spending programmes do not by any means represent the whole picture. Much of this spending has a wider impact by the very fact that the Community is addressing common problems, such as the difficulties of frontier areas, coal and steel closures or the telecommunication needs of the outer regions. Similarly, the scientific and education programmes have a far wider impact than the amount of money involved might suggest, through the large number of cooperation networks that these programmes have helped to establish.

At the heart of the European Union lies the Single Market. Its economic impact is of a different order of magnitude. Here lie the freedoms leading to Europe's competitive edge in the rest of the world: free movement of goods, people, services and capital. Its counterpart is the Community external trade policy. Here the economic benefits of the Union acting together, for example, in the recent Uruguay round of the GATT negotiations, dwarfed any impact of the funds in the regions. The regions and the Union itself are indivisible.

## 1. THE NORTH OF ENGLAND IN EUROPE

The North of England, defined as the counties of Cumbria, Cleveland, Durham, Northumberland and Tyne and Wear, once had the unwelcome distinction of generating a lower Gross Domestic Product per head than any other English region. During the 1980s, the North was the poorest of the eight English regions and, in the whole of Great Britain, compared favourably only with Wales.

In the recent recession the North, in common with Scotland and Northern Ireland, has improved its GDP relative to other regions. As a result it has moved slightly ahead of the North-West as well as Wales.

In a Community-wide comparison in 1991 the North stood at 86% of the EC average in terms of GDP per head. The population is just over 3 million.

Within the North, there are sharp differences between towns and counties, in the levels of economic prosperity. In Cumbria, in 1991, average income levels were over 12% above the United Kingdom average. However, in the more densely populated areas of Tyne and Wear, and Cleveland, average incomes were about 10% below the national average. In Durham and Northumberland, average incomes were more than 20% below the national average.

Unemployment in the region has been high, and much higher than nationally, for many years. In most recent years, unemployment has averaged over 10% but, again, the experience is uneven with very high rates being recorded in parts of Tyne and Wear, and Cleveland, which had the worst overall figures, closely followed by Durham.

The population of the region is expected to fall again slightly during this decade. The natural increase in population is nearly the lowest of the regions in the United Kingdom and this is then reduced further by a continuing high level of emigration.

Of the regions in the United Kingdom, the North is one of four where total employment in 1992 was lower than a decade earlier. Two features of the region have been predominant: first, the dramatic contraction in the traditional mining and manufacturing sectors in the older industrial towns and cities in the north-east, as well as in parts of the coastal areas in Cumbria and, second, the steady reduction in rural employment in the large agricultural areas of the region.



## 2. COMMUNITY FUNDS FOR DEVELOPMENT

### Economic Regeneration

The North of England has benefitted considerably from the European Community's Structural Funds. These are the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Guidance section of the Agricultural Fund (EAGGF). Financial support is available from these funds to meet five objectives laid down at Community level. All of Tyne and Wear, Cleveland and a large part of County Durham have Objective 2 status. This is given to areas suffering from industrial decline. In addition, other parts of Durham and parts of Northumberland have Objective 5b status which is given to rural areas that are lagging behind. The list of eligible areas under Objective 2 will be reviewed in 1996 while that under 5b lasts until 1999. In addition, aid can be obtained under the new Objectives 3 and 4, whereby ESF support is given to vocational training and job creation projects. These Objectives address especially the problems of young unemployed, long-term unemployed and the adaptation of the workforce to technological and industrial change.

Following the recent changes in the Structural Funds, Community Support Frameworks (CSFs) are being drawn up for the application of all these Objectives in the UK, after which operational programmes will be established which will govern the allocation of the Funds to particular projects. The ERDF and ESF have in addition certain programmes established at Community level designed to address common problems, such as RECHAR, for coal closure areas, RENAVAL for areas of shipbuilding decline and KONVER for areas affected by cutbacks in defence industries.

Though programmes and eligible areas change over the years, the North of England has gained considerably from the Funds. Some £275 million came from the ERDF and ESF to the north-east between 1989 and 1993 which, together with Government and private sector funds, constituted a £680 million programme. In addition some £14.5 million went to areas round Whitehaven and Workington between 1989-93 which, when added to Government and private sector funds, generated a total potential expenditure of £45 million in this part of Cumbria.

The external image of the North is not the reality. Declining industry, abandoned coal mines, former steel mills, unused shipyards and derelict sites have had more than their share of publicity, but much

significant redevelopment has been, and is being, undertaken. To people who live in the region, particularly the north-east, much of the visual evidence is positive. Urban and rural environments are better. Facilities for industry are being improved across the region. This involves sites and services, education and training, assistance with technical change, and advice and linkages. The Metro shopping centre is one (perhaps the best known) of many developments in retail shopping. Recent improvements have enhanced the transport and communications infrastructure dramatically.

Support for many of these changes is built into each of the main European Community programmes. Over the years many hundreds of projects, some quite small, have been approved.

Some recent illustrative examples of schemes to provide facilities or services for industrial development have included:

- Doxford Park, Sunderland: infrastructure for the industrial site
- Ashington Business Park: site development
- Anfield Plain: waste treatment plant
- West Lakes Science and Technology Park, Whitehaven: High tech, Small and Medium sized Enterprises (SMEs)

In the first phase of the 1989-93 CSFs, Community funding aided the provision of about 100,000 square metres of factory floor space and the preparation of 450 hectares of industrial sites.

Recent improvements in transport and communication facilities supported by EC funding have included:

- Tyneside Metro: extension to Newcastle Airport
- Teesport container terminal
- Strategic road links: Durham, A 177 in Cleveland  
Prudhoe industrial link road  
Consett regeneration programme  
many other road building projects

EC support has also been provided in larger urban schemes designed to improve the image and attractiveness of the region.

These included:

- Newcastle Regional Capital Initiative
- Sunderland central area regeneration
- Hartlepool, pedestrian enhancement of town centre

About half of all EC financial support to the North was earmarked for industrial support, transport improvements and measures to improve the general environment.

The European Investment Bank lends money on favourable terms for infrastructure and industrial projects. Recent examples include:

- Cleveland – road improvement schemes in Stockton, Middlesborough and Langbaurgh: £28.5 million
- construction of gas-turbine power stations: £200 million
- Durham – North West Water, four loans between 1990-3 totalling £22.8 million
- Northumberland – construction of hotel complex near Hexham: £3 million
- Tyne and Wear – improvement of drinking water supplies.

Other beneficiaries include Northumbrian Water, British Nuclear Fuels (Sellafield) and industrial projects for manufacturing household appliances and gardening equipment (Durham), furniture (Tyne and Wear) and printed games forms (Tyne and Wear).

In the period 1990-93, loans totalled

Cleveland	£355.6 million
Durham	£67.6 million
Cumbria	£112.8 million
Northumberland	£13.1 million
Tyne and Wear	£54.5 million
<i>Grand total</i>	<i>£603.6 million</i>

## Business Generation

Whilst the North can claim to have exploited its own advantages in the open European market to good effect in attracting overseas investment, the development and expansion of indigenous enterprises is proving a major challenge. The evidence used to prepare the Regional Development Strategy by the North of England Assembly suggests that SMEs are under-represented and that the number of new business start-ups has lagged behind the UK average.

Whilst this is a difficult area in which to target resources, the EC has provided assistance for the development of businesses, particularly SMEs. Business development attracted 20% of the funds under the recent CSF. Much of this expenditure is inconspicuous since a large number of assisted projects are initiated by local authorities and local enterprise agencies.

The variety of agencies involved is matched by the range of services which are provided. The ERDF has provided finance towards:

- Business services, including financial and management advice, design, marketing co-financing industrial grants or loans, or guarantees, access to capital, Enterprise Agencies
- Managed workshop units or Business centres
- Promotion of marketing or export activities

Examples of this type of enterprise development can be found in most local areas. Two illustrative examples are the Bolden Hi-Tech Village where ERDF grant assistance totalled £334,000 and the Pelaw Business Units who gained grant aid of £87,000.

## Training and Skills

The ESF supports business development efforts through projects directed at training and employment. Training and education institutions, including the Training and Enterprise Councils (TECs), have been aided in providing upgrading for management skills, improved business skills and techniques, training and incentives for enterprise, vocational training where there are skill shortages, and vocational training for conversion to new occupations.

The Regional Strategy devised by the North of England Assembly summarises the weaknesses and strengths of the regional economy including, as a strength:

- an adaptable workforce with a record of good industrial relations
- wide access to further and higher education facilities.

In contrast, identified weaknesses are:

- an under-utilised industrial infrastructure, labour market and environmental
- problems from a reliance on a traditional industrial bases
- a mis-match between available skills and the requirements of modern technology.
- low staying-on rates beyond statutory school age leading to below average educational attainment.

Looking to the future, it sees a major role for the European Social Fund, which allocated £65 million to the North under the existing CSF, to aid projects designed to address these weaknesses and give the North the right skills base to face the challenges of the Single Market.

Among the aims of the Social Fund have been improved training opportunities for women. An illustrative example is the work of the Tyneside TEC in offering appropriate vocational advice and counselling courses. In recent years, ESF assistance has been allocated to the Wider Horizon Days, which help women returning to the labour force to tackle any barriers to employment and training.

This initiative is followed up by Return to Study courses and First Step Back courses. An innovative programme, Freshstart, for people returning to work was developed to lead to an National Vocational Qualification (NVQ) award. In 1992, this gained one of the National Training Awards. Until the end of 1993, this successful project had ESF support.

## Three Local Development Initiatives

### Consett

Can Consett now be described as a success story?

Ten years ago, the question would hardly have been deemed worthy of an answer. Consett, as much as any other town, symbolised what can go, or had gone, wrong. The modern steel-based town with its expansion in the 1960s had experienced major closures and a dramatic collapse of employment. Unemployment loomed as a way of life for many.

Unemployment is still a serious problem. More investment would be welcome. However, with European assistance, the local agencies have implemented a programme of regeneration, drawing on the ERDF, ESF and ECSC funding. Possibly it is too soon to talk about success, but significant progress is being made. The potential for recovery is being demonstrated.

### Easington

Easington has been hard hit by the contraction in traditional industries. In consequence, like other towns, it has benefitted from Community support.

An environmental improvements scheme, to be completed in 1994, has gained financial support from the European Commission. The small project has been described as giving a new lease of life to an urban area which has been hit by industrial decline. Easington District Council has agreed improvements including road resurfacing, new street lighting, renovating and repairing listed buildings and other environmental work on "street furniture".

Currently (February, 1994) the European Commission has been asked to approve the creation of new Enterprise Zones to aid the redevelopment of parts of Easington affected by the rundown in Durham coalfield. This would allow special assistance to developers within the designated zones.

### Seaham

As part of the funds available from RECHAR, the Commission programme to help areas affected by the contraction of coal mining, European money will contribute to the £100,000 cost of a

study started late in 1993 which is to compile a plan to regenerate Seaham. Development options, their costs, and funding methods, together with assessments of the viability of particular projects, will be put to the County Council as part of a possible ten year implementation programme.

### **3. THE NORTH'S CHANGING INDUSTRIAL BASE - Coal, Steel, Shipbuilding, Defence**

The contraction of coal mining in the 1980s and more recently in the 1990s has been dramatic. Thousands of people were made redundant, or denied work in the industry. The change was on a scale rarely seen anywhere else.

The announced ending of the Durham Miner's Gala in its traditional form marks the end of an era. With the closure of Ellington colliery, the last deep mine in the north-east, only open cast operations remain in the area. This is a final stage in a European-wide process of change the scale of which could never have been foreseen at the time of the founding of the European Coal and Steel Community (ECSC). Great Britain, along with several other EC countries, has been aided by Community funds from the ECSC for programmes of conversion, retraining and enterprise promotion.

Among these funds are low-cost conversion loans for industries setting up in areas hit by coal and steel closures. Global facilities are given to certain institutions, such as several of the major banks, to enable them to lend small amounts of money to businesses setting up in these areas with a specially reduced interest rate and exchange risk cover. This scheme has been of particular use to Consett which had been heavily dependent on the steel industry.

In addition, under the ERDF, the RECHAR programme addresses the problem of areas hit by coal closures.

For the coal mining areas in Tyne and Wear, and S.E Northumberland (TAWSEN), in 1990, an agreed programme of Community assistance from the RECHAR initiative was launched, as a supplement to the special funding in the TAWSEN Integrated Operations plan. In addition, a parallel programme was agreed for County Durham.

In the period to the end of 1993, Community grants of £13m were earmarked which, together with Government finance, generated a programme of spending of over £30m for the TAWSEN area. In County Durham, Community grants of £9.2m were approved and linked to a total programme worth nearly £20m.

In both programmes, the detailed projects included assistance with environmental improvements, including the conversion and development of derelict sites, land reclamation, road and transport improvements, factory building, encouragement to new businesses and the development of human resources through large training programmes.

Indicative examples of the impact of these efforts can be found in the TAWSEN plans for the former Bolden colliery in South Tyneside and the New Herrington Philadelphia area of Sunderland. Multi-agency efforts gained support, as illustrated at Hetton Lyons and Herrington in redevelopment initiatives. The training projects were expected to provide 1,200 training places, involve about 4,000 people and offer support to some 600 businesses. A target of assisting, maintaining or securing 14,000 jobs was set.

In County Durham, a particular feature was Community support for an East Durham Task Force. The measures as a whole were expected to create, maintain or affect 5,400 jobs in different parts of the sub-programmes. Training projects focused on 150 training places, providing training for 525 people.

Shipbuilding has been an industry in crisis throughout the EU for nearly two decades. Excess capacity, low scrapping rates of older vessels and subsidies to builders have distorted the market. Over the past decade the European Commission has, with some degree of success, gained the support of the member states to policies for rationalisation of capacity and reductions in subsidies.

In the north-east, under British Shipbuilders, merchant shipbuilding work decreased as several yards closed. By 1993 the only large company in shipbuilding was Swan Hunter, who relied for work on naval contracts. As a naval contractor, Swan Hunter did not qualify under the EC shipbuilding directives for Intervention Funding.

When Swan Hunter went into receivership, the absence of naval



work and lack of entitlement to intervention funding made the prospects of continuing shipbuilding very poor. Late in 1993, the United Kingdom Government asked the Commission to agree to allow Swan Hunter to qualify for intervention funding. On 21 December 1993 this was approved and the receiver now has a more saleable asset to present to potential buyers. The Community RENAVAL programme addresses the problem of areas within the EU affected by closures in the shipbuilding sector, in a similar way to RECHAR in coal closure areas. In the north-east some £27 million came from this programme between 1989-93.

KONVER is one of the more recent Community programmes targeted towards the provision of support for development and training schemes in areas of the EU affected by the decline in spending on the defence-related industries. Parts of the North qualified because of the effects of the changes on naval work in the north-east as well as in Barrow-in-Furness.

Late in 1993, an allocation of £2m was made from the Regional Development and Social Funds for specific projects.

- Furness Enterprises was allocated £317,000 from the ERDF and £393,000 from the ESF
- Tyneside TEC was promised £232,000 and £214,000 from each for a subsea conversion initiative
- the Northern Development company was allocated £385,000 from the ERDF to assist defence suppliers become more commercial
- other beneficiaries were HESIN, Newcastle City Council WOLF initiative, North Tyneside City Challenge, Durham University Business School and Monkwearmouth College.

#### 4. INVESTMENT AND THE SINGLE MARKET

The completion of the Single Market is the most recent development in the European Union. It is Europe's response to the challenge of a more competitive world and now extends beyond the Union itself to Austria, Finland, Sweden, Norway and Iceland. Speaking in November 1993, the Chairman of the North Region of the CBI, Sir Ian Wrigglesworth, urged the Government to fight "to make Europe competitive" while stressing how much remained to be done and how much harm European disunity could cause.

At the heart of the Single Market are the four freedoms to move goods, people and capital and provide services without hindrance throughout the European Union.

This creation of a huge Europe-wide market has been a boost to foreign investment in the North of England with its own natural advantages, together with regional support schemes making it ideally suitable as a base for exports to this market.

In the region, progress in encouraging inward investment (particularly for industry and tradeable services) as well as the development and expansion of locally owned projects, has been considerable. The Northern Development Company has recorded many successes in attracting investments. Between 1985 and 1993 more than 330 overseas projects, investing over £3bn and linked to 38,000 jobs were attracted to the region.

There is plenty of evidence from investors that access to the EU markets has been a critical factor.

Would Nissan have invested £640m in Sunderland if the European market had been closed to them? Would Fujitsu have brought £400m to Newton Aycliffe?

Similarly, how significant is wider European access for:

- Europa Magnetic Corporation from Taiwan, going to Cramlington,

- Samsung from Korea, in its recent decision to locate in Billingham,
- Synpac from Taiwan which has expanded at Cambois,
- Sammi Sound from Korea, locating in West Cumbria,
- Kong Wah from Hong Kong with a major project on South Shields, and
- Rose Knitting, also from Hong Kong, locating in Middlesbrough.

American investment comes to the North with fewer possible language problems but the same attraction of European access. In 1992-93, Environmental Elements Corp. decided to locate at Consett. Appliance Control Technology decided on Houghton-le-Spring and Matrix Marketing chose Newcastle Business Park.

All of these new projects have been launched in the last two years.

A variety of business links have grown up as the Community's Single Market has developed. For example:

- Drawing on aid from the Community INTERPRISE programme, Cleveland European Advice Centre, with Teeside Chamber of commerce and the TEC arranged for a group of smaller local businesses to attend "Europartners '93" at the "Promotie Dagen" in Gronigen, Netherlands. The business representative had an opportunity to seek partners from other businesses from seven other regions of the Community and Norway.
- Newcastle City Council, with the Tyne and Wear Development Company, have opened a trading office in Hamburg to provide cost effective access to the German market. The decision followed successful visits of local businesses who will now have a permanent base from which to operate.

## 5. ENERGY POLICIES

### Energy Technology

Some 8,000 people are employed by BNFL on the west coast of Cumbria where it owns Europe's most advanced plant for storing and reprocessing nuclear fuels.

BNFL provides nuclear fuel cycle services from manufacture to recycling of spent nuclear fuel. Recently, the advanced Thermal Oxide Reprocessing Plant, THORP, has been completed and has orders for work valued at £9 billion, coming from thirty customers in nine countries. Whilst the primary responsibilities for the regulation of safety and environmental protection rest with the UK Government regulatory authorities, BNFL must also comply with European community environmental legislation.

In relation to THORP, in April 1992, the Commission issued its formal opinion, based on the opinions of experts from the Member States that "the implementation of the plan for the disposal of radioactive waste from THORP ... is not liable, either in normal operation or in the case of an accident ... to result in radioactive contamination, significant from the point of view of health, of the water, soil or airspace of another Member States."

BNFL has been successful in securing funding from the Community, mainly under the Energy Programme initiatives. In addition, the European Investment Bank lent £90 million in 1990-91. It has also joined a consortium of other European nuclear companies to assist the Commission in the formulation of policies for tackling nuclear safety and environmental problems in Eastern Europe and the former Soviet Union under the PHARE and TACIS programmes.

### Jobs in offshore energy

The firms from the North-East who supply the offshore energy industry, through the Northern Offshore Federation, have been helped in 1993 by a grant of £140,000 from the Commission in the creation of a new division to seek overseas orders.

The Director of the NOF expects an extra 500 jobs to be created over a two year period in 1994-96. One of the companies, Trafalgar House Offshore International, has been negotiating with the Vietnamese Government to undertake offshore work in Southern Vietnam.

### Energy from renewable sources

The European Commission is encouraging the development of renewable energy resources. With EC financial assistance, Durham County Council has joined forces with the DTI and the Energy Support Unit in a project to identify possible local sources of renewable energy.

In the preliminary assessment, presented late in 1993, the suggestion has been made that up to an eighth of County Durham's total electricity consumption might come from alternative sources within ten years. The study has looked at the feasibility and economies of the use of wind power, hydro-electricity, landfill gas utilisation, bio-gas from sewage sludge and farm slurry, energy forestry and burning waste to generate energy.

## **6. A GREEN AND OPEN ENVIRONMENT**

Whilst the population of the North is predominantly to be found in or near the large centres, particularly in the conurbations of Tyne and Wear, and in Cleveland, very large parts of Cumbria and Northumberland are sparsely populated and protected as National Parks.

There is a major tourist interest in the natural amenities of the region. Co-operation through the EU has implications for these amenities and, indeed, for the wider urban and rural environment. European policies on air and water quality and handling of waste and pollutants are all contributing to an enhanced environment.

One of the least conspicuous but influential changes is the tightening of the gaseous emissions from industry and power stations. Reducing targets for the release into the atmosphere of particular chemicals have now been set. Acid rain, with its effects

on large areas well away from the source of the pollution, is becoming less of a threat.

Water quality is now being monitored against European standards. The standards of drinking water and bathing water are being assessed throughout the North on a regular basis.

In addition, discharges of foul water or contaminated water, into rivers or the sea is constrained by legislation based on the Urban Waste Water Treatment Directives.

## **7. AGRICULTURE AND FISHERIES**

Although agriculture is the main activity in large areas of the region, which have very low population densities, only 2% of the GDP and employment in the North is generated by agriculture and fisheries. Much of the farm income is based on livestock and in this respect, the Common Agricultural Policy has supported rural lifestyles through special payments and other forms of support.

The reform of the CAP will reorientate part of farm incomes away from prices kept artificially high by intervention prices and towards greater reliance on direct income support, whether as set-aside payments or headage payments.

A small but useful example of EU co-operation in this area is the designation of a varroa-free area which includes all of Northern England. This may seem relatively minor, but it is certainly not so for the bee-keepers whose livelihoods are protected by the measure.

As from January 1994, a large part of the rural areas of the North now qualifies for EC assistance under Objective 5b of the Community Structural Funds. Large areas in Cumbria and Northumberland, as part of the "Northern Uplands", have been added to the areas in other regions which qualified in the first CSF in 1988. These areas can obtain EAGGF support for approved programmes to aid rural diversification and development.

Commercial sea fishing is a difficult issue for the EU. There is no disagreement that stocks should be preserved at viable levels. The disagreements centre on the ways that conservation can be linked to sufficient freedom for the fishing industry to operate in the coastal areas of the community.

An EU-wide policy means that a beggar-my-neighbour system of national protectionism has been avoided. However, whilst the scientists have reached near agreement on the Total Allowable Catch (TAC) for different species, national Governments have a responsibility to monitor and enforce its implementation.

On both shores of the North region, employment in small communities depends on a satisfactory solution. The Government has legislated for a system of compulsory restraint on the number of days fishing vessels can operate each year.

The National Federation of Fishermen's Organisations is challenging this mechanism in the European Court.

The European Commission is not involved in the dispute about the methods of controlling the TAC but is interested in ensuring that totals are not exceeded.

## **8. EDUCATION LINKAGES**

The EU has made significant progress in opening up the whole of the Community for the movement of people, transfer of skills, and harmonisation of the labour market. Particular features have been the moves to ensure recognition of qualifications, improved access to learning other European languages, and mobility of people to acquire or transfer skills.

COMETT is an EC training programme to encourage co-operation between Universities and industry to improve training in the new technologies. The programme has been actively used by the Universities in the North and co-ordinated by the Regional Technology Centre.

Last year, the RTC recorded successful placements for nearly 50 university students and staff in a two-way flow between the North and other countries in Europe. The network of University Enterprise Training Partnerships saw students from Teeside go to Brittany and Berlin. One from Durham went to improve software engineering skills in Oula, Finland. In the opposite direction, placements in the North by students from Milan and Berlin should be of value to some of the smaller local manufacturing firms.

The RTC is also a partner in a “Euro-Innovations-Manager” project. This three year contract has seen the development of courses on the need for technology transfer, the management of change, and techniques for technology implementation.

The Community’s ERASMUS programme is used by higher education institutions to enable students to spend time in a similar institution elsewhere in the European Union as an integral part of their course. Three hundred of the 8,900 UK students who spent part of the last academic year in another country under the programme came from institutions in the North.

#### Distance learning: the Open University

The Universities in the North have a long tradition of offering places to students from around the world in what are now the five local universities.

In a unique development, the Open University, which has established a world-wide reputation for distance learning at University level, has located the management of its activities in Continental Western Europe in its Northern region, based in Newcastle upon Tyne. Currently, 5,000 students are studying with the help of its unique network of co-ordinators in each member state and locally based tutors. In 1994 the Open University will open an office in Brussels.



## 9. THE FUTURE AND AN ENLARGED EUROPEAN UNION

The North has suffered from industrial change and especially the decline of certain basic industries. As a result it is especially dependent on economic growth of the Union as a whole. The economic programme laid down in the Commission White Paper on "Growth, Competitiveness and Employment" with its drive to create 15 million jobs by the year 2000 is of great relevance in the region, as too will be the outcome of the current debate on a European Social Policy stimulated recently by the Commission's Green Paper on the subject.

However, there is one future development with a special significance for the North and that is the future enlargement of the European Union to embrace Norway, Sweden and Finland. This is of great importance for the North of England. Long-established links with Scandinavia may build into more significant trading relationships. Economic integration with these countries offers the prospect of mutual benefits.

In anticipation of the changing orientation of the European Union, two particular initiatives have gained support.

- The Northern Arc: early in 1993, the Northern Development Office initiated studies to examine the potential for special initiatives to link the countries lying on the Northern Arc of the Community, reaching from the northern counties of the Republic of Ireland, Northern Ireland, the North of England, Scotland, Denmark and the Nordic countries, possibly extending into the Baltic States and Russia. This concept gives reinforcement to the role of cross-Pennine routes for road links and the development of sea ports.
- The Alliance of Maritime Regional Interests in Europe: this group, formally launched after a conference in Bremen, in November 1993, has been formed to emphasise the needs of regions and countries of the Community whose borders are across stretches of open sea. Opening up sea frontiers and travel are as important to an integrated Community as land frontiers. If the Nordic countries join, the North Sea will become, essentially, part of the European Union. The Alliance is based in Wallsend.

## SOURCES OF INFORMATION IN THE NORTH

### 1. European Documentation Centres

Official publications of the EC

#### **Durham**

The Library  
University of Durham  
Stockton Road  
Durham DH1 3LY

Tel: 091 374 3041/4

Contact: Richard Caddel

#### **Newcastle upon Tyne**

The EDC Library  
University of Northumbria at Newcastle  
Sandyford Road  
Newcastle upon Tyne NE1 8ST

Tel: 091 227 4136

Contact: Anne Ramsay

### 2. European Information Centres

Provide up-to-date information on all aspects of Community affairs to small and medium-sized enterprises.

#### **Newcastle upon Tyne**

Northern Development Company  
Great North House  
Sandyford Road  
Newcastle upon Tyne NE1 8ND

Tel: 091 261 0026

Contact: Marion Schooler

### 3. North of England Assembly

#### **Newcastle upon Tyne**

Guildhall  
Quayside  
Newcastle upon Tyne

Tel: 091 261 7388

#### **Brussels**

Ave de Broqueville 3  
Square Montgomery  
1150 Brussels

### 4. Community Support Framework Arrangements

#### **North East**

Department of Environment  
Gallowgate  
Newcastle upon Tyne

Tel: 091 201 3300

#### **North West**

Department of Trade and Industry  
Manchester

Tel: 061 832 9111

# United Kingdom Regions

THE NORTH A REGION OF  
THE EUROPEAN UNION

## 1 South West

Devon  
Cornwall

## 2 West

Dorset  
Wiltshire  
Somerset  
Avon  
Gloucestershire

## 3 East

Norfolk  
Cambridgeshire  
Suffolk  
Bedfordshire  
Essex  
Hertfordshire

## 4 West Midlands

Staffordshire  
Shropshire  
West Midlands  
Warwickshire  
Hereford and Worcester

## 5 North

Durham  
Tyne and Wear  
Cleveland  
Northumberland  
Cumbria

## 6 South East

Kent  
West Sussex  
East Sussex  
Surrey

## 7 South

Hampshire  
Berkshire  
Oxfordshire  
Isle of Wight  
Buckinghamshire

## 8 East Midlands

Leicestershire  
Nottinghamshire  
Northamptonshire  
Lincolnshire  
Derbyshire

## 9 Yorkshire & Humberside

South Yorkshire  
West Yorkshire  
North Yorkshire  
Humberside

## 10 North West

Greater Manchester  
Merseyside  
Lancashire  
Cheshire

## 11 Greater London

## 12 Scotland

## 13 Wales

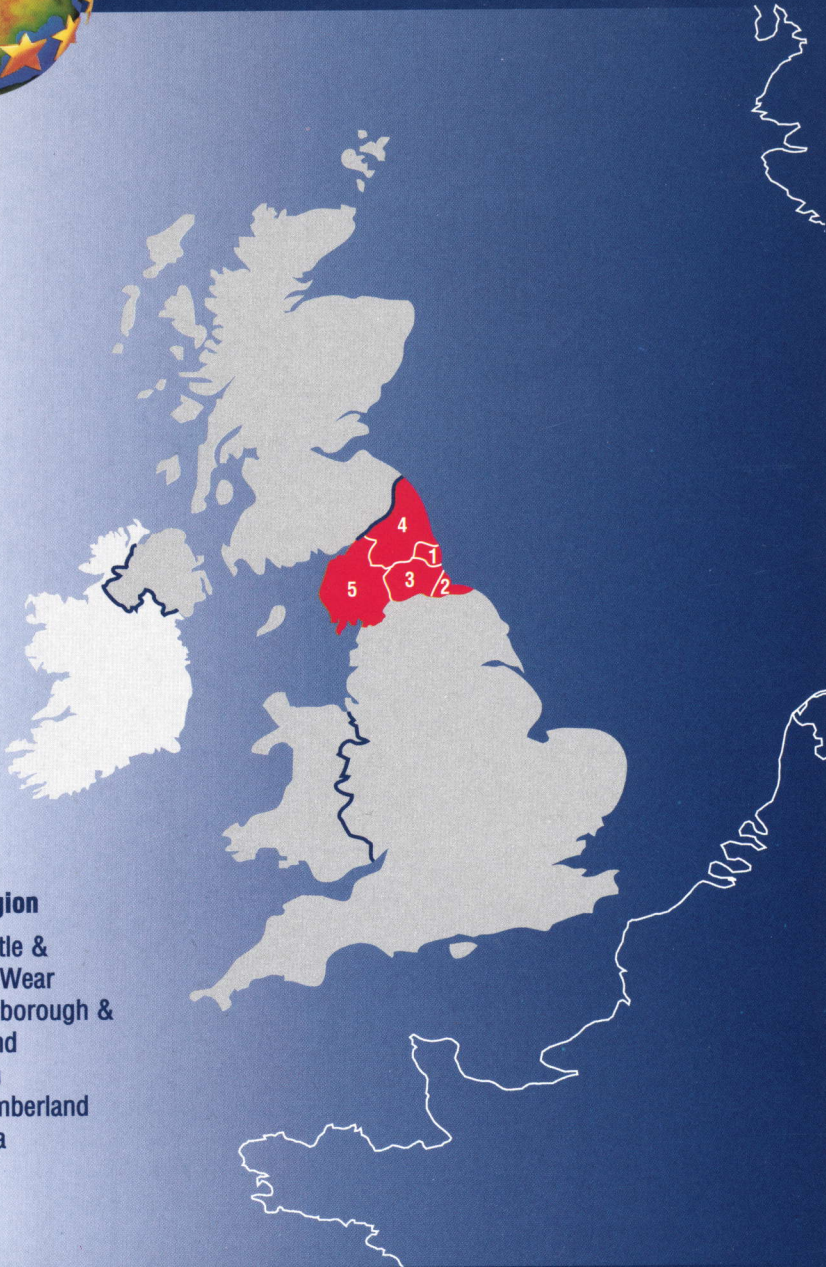
## 14 Northern Ireland

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**Author:** John Simpson

We would like to thank all those individuals and organisations in the region, without whose enthusiastic assistance this brochure could not have been produced.

April 1994 – 9490



## **North Region**

- 1** Newcastle & Tyne & Wear
- 2** Middlesbrough & Cleveland
- 3** Durham
- 4** Northumberland
- 5** Cumbria