

**Wales**

AND THE

# European Union





The Royal International Pavilion at Llangollen.

This brochure is also available in Welsh.

**Wales**

A REGION  
OF THE

**European Union**

A guide to the impact on Wales of European Union policies.

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This brochure seeks to assess the impact of membership of the European Union on Wales. However, it is only possible in this text to give some examples of the great range of grants, assistance and programmes employed by the European Union to reduce disparities between regions in order that they may participate more fully in the benefits of European integration and the Single European Market.

The term 'European Union', as laid down in the Treaty on European Union, is preferred in this brochure. Whenever funding programmes or policies/laws adopted under the original EEC or ECSC Treaties are referred to the term 'European Community' is used.

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

# 1 Europe of the Regions

The dynamic diversity of the European Union is embodied in its regions. The Union is committed to preserving this diversity as it advances towards even closer integration.

But the harmonious development of the regions can only be achieved by reducing the disparities between the economically strong and the less advanced among them. This is why the European Union is committed to reallocate even more of its resources (25% of its budget) to the regions which are lagging behind through its Regional Policy, and especially its Structural Funds. These consist of three separate funds: 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, namely development and structural adjustment of the regions whose development is lagging behind, conversion of regions, or parts of regions, seriously affected by industrial decline, and the development and structural adjustment of rural areas. Although the cost for these remains affordable – 0.3% of GDP in 1993 – the allocations from the funds to the beneficiaries represent a significant contribution to their economies: up to 3 and 4% of GDP.

While the European Union has made sure that the voice of the regions is heard by its institutions, it has at the same time limited its own involvement in the way the regions run their affairs. Under the principle of subsidiarity, the Union limits its policy action to issues where it is in a better position to act than individual countries. In all other sectors, the initiative lies with Member States and their regions.

## 2 Wales: From 4000 BC to the Rhondda

Wales is the last great bastion of a Celtic nation that once covered much of what is today the European Union, stretching from Ireland and Spain in the west to eastern Europe and Turkey.

At the height of their power the Celts crossed the Alps to sack Rome. But unlike other invading hordes, they did not suddenly appear in Europe – they were the original non-Mediterranean people of Europe, direct descendants of the Neolithic farmers of 4000 BC.

Topographically, from the craggy peaks of Snowdonia to pencil-thin valleys chiselled by rivers rushing towards the Celtic Sea, Wales is a microcosm of those states that comprise the new Europe.

But the socio-demographic comparison is very different when set against the conditions enjoyed by people nearer the centre of the EU.

In 1991 Wales still had a lower income per head than any other region of the UK except Northern Ireland, and 17 per cent below the average Gross Domestic Product for the European Union as a whole.

GDP in Clwyd, and the rural heartland of Dyfed, Gwynedd and Powys was even less at 19 per cent below the EU average, Gwent and the three Glamorgans 16 per cent lower. Evidence that Wales is still running to catch up, is clear from figures of fourteen years ago when Welsh GDP was 20 per cent below the EU average.

But data from the Welsh Office “Economic Trends, 1992” highlights the emergence of other disturbing regional patterns.

While unemployment in Wales at 10.3 per cent was not far from the EU average (9.4%), the number of men out of work (12.1%) was much higher than the average for the 12 Member States (8.4%).

The Welsh labour force has an increasingly strong female element – a predominant trend through to the year 2000 – it is lower paid, works longer hours, with a dramatic increase in the numbers needing two jobs.

Average gross weekly earnings in 1992 were £270-90 for full-time employees, 11 per cent below the UK average, and a steady decline relative to the rest of Britain since 1980. In the same period earnings in south-east England moved to 14 per cent above the national average.

Of all full-time women workers, 54.3 per cent earned less than £200 gross a week while 24 per cent of men were in the same low-wage bracket.

Accompanying this was a huge decline in the number of days lost through disputes, down from 2.9m in 1986 to 20,000 in 1991, proving a key factor in attracting inward investment, particularly by the Japanese, United States and German automobile and electronics industries.

Indeed, the presence of more than 30 Japanese plants have made South Wales a major European centre for electronics manufacturing.

Another feature of the changed industrial climate has been a steady increase in net manufacturing output in Wales, 6.4 per cent above the UK average and second only to the South-East in performance.

Nevertheless, 63 per cent of Welsh jobs lost in 1991 were in manufacturing, and with more than 60 per cent of the workforce engaged in services and about five per cent in farming Wales is very similar to Scotland and the Belgian region of Flanders.

Between 1966 and 1992, the Welsh Office recorded 2422 new plant openings of which about half (1218) are still in production. Nearly one third of the 104,500 new jobs created were at plants with overseas owners, testifying to the attraction of Wales to foreign investors anxious for a foothold in the European Single Market (see Inward Investment Page 25).

But this is only part of the Welsh story. With a surface area of 21,000 squ kilometres – about the same size as the German Land of Hessen or Emilia-Romana in Italy – Wales has 15,000 squ kilometres under crops and livestock of which 11m are ewes and lambs, a quarter of all the sheep in the UK.

Less than five per cent of the total labour force is employed on the land, two-thirds farmed by the owners themselves, a far higher percentage than elsewhere in Britain. Despite the support of the CAP, farm incomes have continued to lag behind those in other sectors.

### 3 Treaty on European Union

All 12 EC Member States agreed the Treaty on European Union, incorporating economic and monetary, and political union, in Maastricht in December 1991. It then began, for some countries, its tortuous passage before ratification by national parliaments.

Ratification was completed in October 1993 and the Treaty entered into force on 1 November 1993.

Not all Member States were prepared to sign up to all parts of the Treaty, with the United Kingdom 'opting out' of the Social Chapter and any commitment to move to the third stage of Economic and Monetary Union. Denmark also negotiated 'opt-outs' from the Treaty in late 1992.

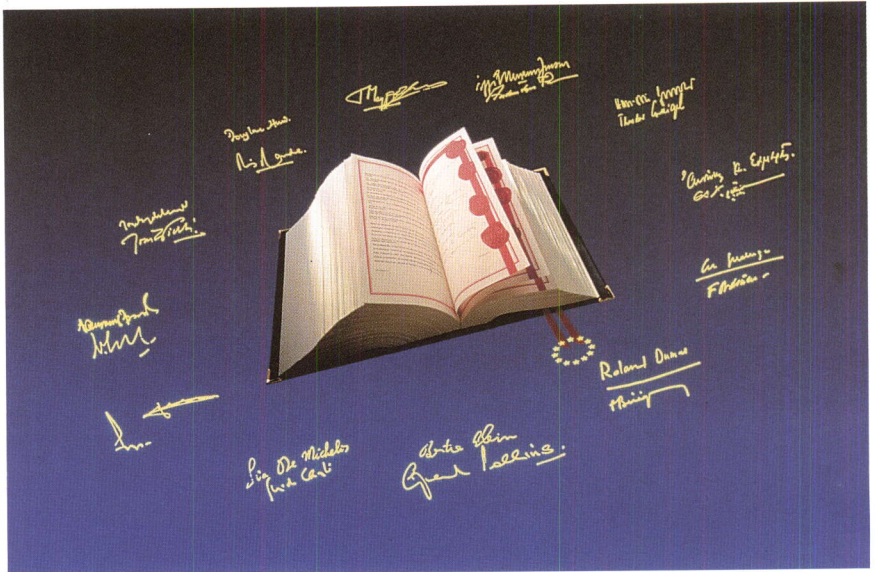
Shortly after the Treaty was signed, Europe plunged into an exchange rate crisis causing the UK and Italy to suspend their participation in the Exchange Rate Mechanism of the European Monetary System.

Some of the main features of the Maastricht Treaty are:

- Economic and Monetary Union and the introduction of a common currency (the ecu) by 1999 at the latest. A special protocol to the Maastricht Treaty provides an 'opt-out' clause for the UK who will thus not be obliged or committed to move to the final stage of EMU without ratification by her government and Parliament. Denmark will not participate in the final stage of EMU.
- New rights for citizens of the European Union, including the right to reside in any Member State – and the right for Union citizens residing in an EU country other than their own to vote and stand in local and European elections. Citizens of the EU will also have the right to petition the European Parliament as well as the right to refer to an ombudsman appointed by the European Parliament.
- New powers for the EU in areas such as Consumer Protection, Public Health, the establishing of Trans-European Networks, Industrial Policy, Education, Environmental Protection, Culture, Research and Development and Cooperation on Justice and Home Affairs matters.



- Increased powers for the European Parliament (see Page 8)
- Creation of the Committee of the Regions (see Page 9)
- Introduction of the principle of subsidiarity (see Page 10)
- The development of a Common Foreign and Security Policy.



### The European Parliament

The European Parliament, representing the 342 million citizens of the 12-nation union, saw its powers considerably strengthened in December 1991 when national governments signed the Treaty on European Union in Maastricht.

Parliament, holds its monthly plenary sessions in Strasbourg, the historic crossroads of Europe, and committee meetings in Brussels. While the European Commission is the executive responsible for initiating policy, the decision-making Council of Ministers, on which all governments sit, can only introduce new Union-wide legislation after consulting Parliament.

At the European Council Summit meeting in Edinburgh in December 1992, the number of MEP's was increased from 518 to 567, largely to account for German unification and representation from the five Lander of the former East Germany. But the opportunity was taken to review all Euroconstituency boundaries for the 1994 European Parliament elections and, consequently, the United Kingdom has an additional six members in its total of 87. Wales has one of these additional seats, making 5 in all.

**The new Welsh European Constituencies** (and how they reflect Westminster Parliamentary seats):

- 1. North Wales** Alyn and Deeside; Caernarfon; Clwyd North West; Clwyd South West; Conwy; Delyn; Wrexham; Ynys Mon.
- 2. Mid and West Wales** Brecknock and Radnorshire; Camarthen; Ceredigion Gogledd Penfro; Llanelli; Meirionnydd Nant Conwy; Montgomeryshire; Pembroke.
- 3. South Wales West** Aberavon; Bridgend; Gower; Neath; Ogmore; Swansea East; Swansea West.

- 4. South Wales Central** Cardiff Central; Cardiff North; Cardiff South and Penarth; Cardiff West; Cynon Valley; Pontypridd; Rhondda; Vale of Glamorgan
- 5. South Wales East** Blaenau Gwent; Caerphilly; Islwyn; Merthyr Tydfil and Rhymney; Monmouth; Newport East; Newport West; Torfaen.

#### **POWERS OF THE PARLIAMENT:**

Despite the adoption in 1987 of the Single European Act and the subsequent increase in the Council of Members of majority voting in various areas of policy, Parliament remained essentially a consultative institution unable to exercise the final democratic sanction over proposed EU legislation, apart from the budget which it could modify, then adopt and, if needs be, reject. MEPs were also able to dismiss the 17-person European Commission executive.

Agreement at Maastricht stiffened Parliament's democratic role in the decision-making procedure by introducing the concept of 'co-decision' shared between the Council and Parliament.

The new co-decision procedure now gives Parliament a full role to play alongside the Council of the European Union in the enactment of legislation in certain areas. These include completion of the internal market, freedom of movement for workers, and some aspects of the right of establishment, as well as new initiatives on the environment and consumer protection, public health, culture, and the establishment of trans-European transport, energy and telecommunications networks. If the Council and Parliament are unable to agree on a Union regulation or directive, a compromise has to be found by a special Conciliation Committee, on which both institutions are equally represented. Parliament has also been given the right to approve the Commission prior to its appointment. Starting in 1995, so that this right can be exercised more effectively, the Commission's term of office will be extended from four years to five to coincide with the life of Parliament. Major international agreements with important implications for the budgetary situation or the legislation of the Union now require the assent of Parliament. Finally, Parliament may now set up committees of inquiry, hear petitions from individuals, and appoint an ombudsman.

Elections for the European Parliament in 1994 will be the fourth time EU citizens have chosen their MEPs by direct suffrage. All Member States will vote between June 9 and 12 and, with the exception of the United Kingdom, will use some form of proportional representation. In the UK, the traditional first-past-the-post method is used, except for Northern Ireland.

For the first time, the Treaty of European Union guarantees every citizen of the Union the right to vote and stand as a candidate in the elections in the Member State in which that person resides but not as a national. So a Belgian could stand in Wales and a Welshman in Belgium – a significant opportunity to participate in the elections for the 400,000 Britons established in other Member States, and indeed 810,000 citizens of other Member States resident in the UK.

In the 1989 Euro-elections the turnout in Britain was the lowest in the Community at 36.2%, 40.7% in Wales. The Belgians showed themselves most enthusiastic with 90.7% voting, followed by Luxembourg with 87.4% and then Italy where there was an 81% turnout.

## The Committee of the Regions – and the ‘S’ Factor

The regions of Europe have long been concerned they exercised too little influence over policy making. Now, with the Treaty on European Union, Member States have made a start on correcting this situation by establishing a “Committee of the Regions” responsible for advising the Council and Commission on regional matters.

It has 189 nominated members representing regional and local bodies, but acting independently. The United Kingdom has 24 members of which three are from Wales distributed between three political parties, Labour, Plaid Cymru and the Conservatives:

1. **John Evans** (*Labour*): Mr Evans is vice-chairman of Rhymney Valley District Council’s housing and environmental health committee. His alternate is: Keith Griffiths, member Gwent County Council.
2. **Lord Keynon** (*Conservative*): Lord Keynon is a member of Wrexham Maelor Borough Council. Alternate: William Davies.
3. **Eurig Wyn** (*Plaid Cymru*): Mr Wyn is vice-chairman of Gwynedd County Council’s policy committee. Alternate: Jill Evans, member Rhondda Borough Council and Mid Glamorgan County Council.

Member States have selected representatives from regional and local authorities each to serve a four-year term on the Committee. In Britain, the distribution was decided by the Government but the individuals chosen by political parties.

However, other Member States are represented on the Committee of the Regions at different levels, reflecting different political structures. Among the German members representing the Lander are 4 prime ministers and 12 ministers. The Spanish representation on the Committee includes the presidents of 17 autonomous regions, whilst Italy counts 16 chairmen of regional authorities among its representatives.

Concern for the principle of subsidiarity encouraged Member States to establish the Committee of the Regions. Subsidiarity is the principle that decisions are taken as close as possible to the citizen, a constant watch being kept to ensure that action taken at EU level is justified in the light of the means available to national, regional and local authorities.

There are two main thrusts to subsidiarity: decentralisation, but also its corollary integration where effectiveness demands that a problem be solved in a common framework.

The Committee of the Regions represents the inclusion for the first time of the regions in the European Union's institutional structure. It means the Committee will be consulted by the Council of Ministers and the Commission in specific areas and when deemed appropriate. The Committee can also issue an opinion on its own initiative.

Since its brief is purely advisory, it is unclear what real influence the Committee will exercise over regional issues. In this sense the Committee's position within the institutional framework is rather like another consultative body, the Economic and Social Committee of which the former North Wales Conservative MEP Beata Brookes is a member.

As one of the poorer regions of the European Union, Wales has received substantial financial help from the EU Structural Funds.

Gross Domestic Product per head, the measure of a nation's capacity for producing wealth, was 17% below the EU average in Wales in 1991, a decline on the previous year, and 19% lower in the rural areas.

The EU Structural Funds comprising the European Regional Development Fund (ERDF), the European Social Fund (ESF), and FEOGA Guidance Section (for assisting agricultural structures) are the main policy weapons for ironing out the economic and social imbalance between the regions of Member States.

It is acknowledged by the European Commission that the continued existence of these wide disparities might jeopardise the successful implementation of the Single Market which came into effect in January 1993. Considered among the most important factors influencing the regional competitiveness and development potential of Wales are:

- the quality of its basic infrastructure
- availability of well-qualified personnel
- the capacity to innovate

Following the adoption of the Single European Act which laid considerable emphasis on the need for greater economic and social cohesion, a reform of the EU Structural Funds was agreed in 1988. Since the inception of the European Regional Development Fund (ERDF) in 1976, Wales had received some £540 million in ERDF grants for individual projects.

Under the Reform of the Structural Funds, however, funding sources were now to be concentrated in five priority Objectives in the period 1988-93.

While Wales did not qualify under Objective 1, which provides substantial financial support for the EU's most disadvantaged areas, Industrial South Wales and the eastern industrial part of Clwyd became eligible for structural funding under Objective 2, designed to assist regions seriously affected by industrial decline.

The rural counties of Dyfed, Gwynedd and Powys were covered by Objective 5b which directs EC funding towards the development of rural areas. (See Chapter on Rural Heartland)

## **Objective 2 Funding in Wales 1989-93**

The eligibility of Industrial South Wales and east Clwyd for funding under Objective 2 led to the setting up in 1989 of 2 Integrated Development Programmes (IDO) for these areas, which drew together ERDF and ESF funding in a more comprehensive approach.

The EU funding released under these IDO's were used to finance projects which were designed to:

- improve facilities for the development of productive activities
- improve the road, rail and inland waterways networks and public transport facilities in order to facilitate business development
- assist the development of new businesses, in particular small and medium-sized enterprises (SMEs)
- improve the image and attractiveness of the regions
- develop tourism, and
- support research and development and vocational training

Under the 2 IDO's which ran in the period 1989-91, Clwyd received EU funding worth £24m and Industrial South Wales £75m.

The stream of funding released by these programmes provided training for more than 12,700 people, the reclamation of 110 hectares of land and the conversion of large areas of workshop place.

Two further IDO's were approved for the same areas for 1992-93, Clwyd receiving some £22m and Industrial South Wales £74.5m.

Among the many projects funded under these IDO's were (ERDF grant in brackets):

## INDUSTRIAL SOUTH WALES

Pontypool Western Bypass	£1,535,200
Transporter Bridge, Newport	£500,000
Garden Festival Wales, Ebbw Vale	£573,356
Pontarddulais Urban Regeneration	£517,600
Cardiff Castle Restoration and Enhancement	£335,551
Vale of Neath Country Park	£81,000
Tredegar House, Newport	£370,620
A4042 Docklands Distribution Road, Newport	£2,778,278
Butetown Link, Cardiff	£1,059,230
A4067/4217 Cross Valley link at Pentrechwyth	£1,087,820
Old Central Library, Cardiff	£175,500
Refurbishment of Cardiff Central Market	£408,825
Celtic Lakes Development, Newport	£1,693,200
Llancaiach Fawr, Rhymney Valley	£479,000
Cardiff Wales Airport Business Park	£1,392,000
East Wentloog Industrial Park, Cardiff	£564,000
A4067 Pontardawe-Glanrhyd	£1,893,203
National Centre for Literature, Swansea	£1,000,000
Aerospace Engineering (Cardiff-Wales Airport)	£1,400,000
Cardiff Medicentre	£900,000

Under the two IDO's for Industrial South Wales, grants worth some £38m were made available from the European Social Fund in the period 1990-93.

One of the recipients of ESF grants was the South Glamorgan Women's Workshop which has been successfully training women in new technology skills for 10 years. Over 2,500 women have developed and updated skills by attending the courses offered by the Workshop, and the provision of an on-site nursery has enabled many women to access training who would otherwise have been excluded. Further EC funding has been made available via the NOW programme and through IRIS, the European Network of Women's Training Projects, contacts have been established with European partners as a means of sharing best practice and providing the highest standards of training for women. Since 1984, the European Social Fund has provided grants totalling £875,000 to the South Glamorgan Women's Workshop.



## CLWYD

Royal International Pavilion, Llangollen	£1,562,000
Rhyl Railway Station, 'Gateway' project	£783,340
Ffrith Beach, Rhyl	£1,125,000
Children's Village, Rhyl	£2,753,335
Coastal Protection Works, Towyn	£3,108,000
Sky Tower, Rhyl	£371,250
Regional Tennis Centre, Wrexham	£166,299
Enterprise Centre, Shotton	£619,400
New Pavillion Theatre, Rhyl	£1,683,365
St Asaph Business Park Access	£650,000
A548 bypass, Bagillt	£983,254
Mold Tourist Information Centre	£90,675

Under the 2 IDO's, projects in Clwyd received more than £5m in grants from the European Social Fund in the period 1990-93.

## Community Initiatives

An important innovation introduced by the Reform of the Structural Funds in 1988 were 'Community Initiatives' which enabled the Commission, on its own initiative, to create specific structural policy measures with a Community dimension. 13 such measures were announced by the Commission, and Wales benefitted directly from 6 of them:



*Cwm Cynon Business Centre, Aberdare.*

RECHAR which provides additional EC support for the economic and social conversion of coal-mining areas. In the period 1992-93, designated areas in South Wales received a total of £21.5m EC funding, with grants payable from the ERDF and ESF in support of infrastructure projects which contribute to the development of industry, the environment and tourism and for training schemes which support such projects.

One project to benefit under the RECHAR programme from ERDF funding was the Cwm Cynon Business Centre in Aberdare which opened in 1994 and provides office and factory/workshop accommodation for small businesses in the Cynon Valley, comprising 9,000 sq feet office development and 21 workshop units. The Cwm Cynon Business Centre received RECHAR funding worth £440,000 from the ERDF. Among other projects to receive RECHAR funding in industrial South Wales were:

Parc Cwm Darren, Rhymney Valley	113,847
Penrhiwceiber Colliery, Leisure facility	94,500
Workshop units, Crosshands Business Park	157,000
Pontyberem Memorial Hall	75,000
Nursery Units, Pontardawe Ind. Estate	356,800
Clydach Vale Community Centre	108,521
Britannia Centre for Enterprise	436,000
Abercrave Miners Welfare Hall	40,000
Coliseum Theatre, Trecynon, Aberdare	172,500
Business Units, Treforest Station	272,800

KONVER was introduced to help areas affected by the run-down of defence-related industries and military installations. Under KONVER Wales received ERDF funding worth £550,000 and grants totalling £430,000 from the ESF. Projects funded include a feasibility study into the redevelopment of RA F Caerwent near Chepstow and works to the sea wall at the former RNAD Milford Haven to develop the complex for industrial/commercial use.

- RETEX** aims at accelerating the diversification of economic activities in areas heavily dependent on the textiles and clothing sector. Under this Community Initiative Wales received EC grants totalling £300,000 from the ERDF and £270,000 from the ESF. Among the projects funded is a manufacturing excellence programme in rural Mid-Wales.
- STRIDE** stands for Science and Technology for Regional Innovation and Development in Europe. There are five STRIDE projects in Wales including a technology audit and innovation database operated by the Welsh Development Agency with individual profiles covering 250 companies in the Welsh Objective 2 areas, and a Design and Technology Centre at the Carmarthenshire College of Art and Technology.
- The Welsh STRIDE projects have received funding worth £780,000 from the ERDF and some £70,000 from the ESF.
- NOW** aims to promote equality of opportunity for women in respect of employment and vocational training. Under this Community Initiative Wales has received ESF funding worth £600,000 towards 12 projects.
- HORIZON** is targeted at disabled and disadvantaged people and aims to facilitate their social and economic integration. Grants worth £900,000 were made available from the EC towards 14 projects in Wales.
- EUROFORM** seeks to establish transnational partnerships in the fields of vocational training and employment vocation. Wales benefitted from EC funding worth £2.8m under this Community Initiative for 31 projects.
- LEADER** encourages an approach to rural development based on programmes supported by local structures. 4 LEADER projects were announced in Wales with a total EC grant of £2.6m (see chapter on Rural Heartland).

### **Future Support from EU Structural Funds in Wales**

Following the Commission's announcement in late 1993 of areas eligible for EC structural funding in the period 1994-99, it is evident that Wales will continue to benefit significantly in the years to come from such funding. The following areas are eligible for structural funding from 1994:

**OBJECTIVE 2** (areas suffering from the effects of industrial decline).

**INDUSTRIAL SOUTH WALES:** Mid Glamorgan; West Glamorgan; Gwent: The Travel to Work Areas of Newport, Pontypool and Cwmbran, Merthyr and Rhymney (part) and Blaenau Gwent and Abergavenny (part); South Glamorgan: Cardiff (part); Powys: Aberdare (part), Swansea (part); Dyfed: Llanelli, Swansea (part).

These areas will be eligible for Objective 2 funding until the end of 1996. A development programme will be established in 1994 for Industrial South Wales with an estimated £143m of EC funding being made available for the 3-year period.

**OBJECTIVE 5b** (rural development areas)

Gwynedd; Dyfed: Ceredigion district, Preseli district, South Pembrokeshire district, Carmarthen district (part), Dinefwr district (part); Powys: Montgomery district, Radnor district, Brecknock district (part); Clwyd: Colwyn district (part), Glyndwr district (part).

A development programme will be established in 1994 for the eligible areas for the period 1994-99. The estimated EU funding towards the development programme is £140m.

### **COMMUNITY INITIATIVES**

A total of 9% of EC Structural Fund will be devoted to Community Initiatives in the period 1994-99. Whereas the Commission has not yet taken its final decisions, it is already clear that Wales will continue to benefit from programmes such as RECHAR II and LEADER II and – for the first time – parts of Wales will benefit from funding under the INTERREG II Programme for cross-border cooperation with Ireland.

### **ECSC Loans**

Favourable finance facilities are available to Member States under the provisions of what was the old European Coal and Steel Community, now merged with the other financial instruments. This provided a cushion in Wales for thousands of miners and steel workers affected by the rundown in these two primary industries through enhanced redundancy payments, salary support for relocated workers and retraining schemes.

Its principal role now is the provision of loans with interest rates of up to 3% below market levels for businesses creating or safeguarding jobs within the coal and steel areas of South Wales.

Since 1978 ECSC loans to investment projects in Wales have totalled £325.9m, attracting a total interest rebate amount of £57.15m. The investments which attracted ECSC loans totalled £1.3176 bn helped to create or safeguard some 34,629 jobs in Wales.

## **European Investment Bank (EIB)**

The EIB, as a source for borrowing and lending, is larger than even the World Bank and in 1992 alone lent £21 billion to Member States, 70% of this in regional development areas.

Industry, infrastructure and energy projects in Wales have benefitted from EIB loans totalling £1.05 billion since 1973, representing 8% of the EIB's total lending in the UK.

In the last five years loans advanced to Wales amounted to £514m. These included:

- £66m towards construction of the Second Severn Crossing;
- £178m to the Ford Motor Company's new engine plant at Bridgend;
- £103m for road schemes, industrial sites, and aerospace training facilities in South Glamorgan, West Glamorgan and Gwent;
- £14m for the expansion of an optical fibres production facility on Deeside.

But not all loans are for the big battalions of industry. There is an EIB facility for supporting small and medium-size businesses, 23 of whom have benefitted in Wales from loans totalling £12m.

Outside the geographically small industrial pockets along the southern coastal plain and in the north-east corner lie the huge, open spaces of rural Wales, still one of the most sparsely populated regions of the European Union. The area covered by Rural Wales embraces almost three-quarters of the land mass of Wales, but only has a population of 629,000.

Rural areas cover some 80% of the EU's land surface and rural development is a crucial strand of EU regional policy. Consequently, alongside the development programmes designed to assist declining industrial areas, the Commission has launched similar schemes for rural areas in greatest need.

The first IDO for Wales covered the period 1987-91, pumping £87m of aid into Gwynedd, Powys and Dyfed to assist with infrastructure projects and training contributing towards the industrial and tourism development of the three counties. This was quickly followed by a second rural development programme in 1992-93 worth another £26m to these areas.

Behind this raft of grant aid is the key objective: to strengthen and expand the economic base of an area which for centuries has been almost exclusively dependent upon the fortunes of a family-run agricultural industry, tourism and some fishing.

But while rural Wales has been a one-track industry, it has remained the bastion of Welsh social and cultural life, a feature which EC aid helps to protect and strengthen.

Diversification is essential if rural Wales is to share the benefits of the European Single Market. Using the Development Board for Rural Wales as one conduit for aid, the EC has helped fund new workshop units and industrial sites, financial and management advice and development grants for small and medium-size businesses.

Tourism has been another major target with millions of pounds ploughed into improving the tourist infrastructure. Tourism projects supported by the EC development programmes in the period 1987-93 include:

Dinefwr Park, Llandeilo	£317,058
Celtica, Machynlleth	£800,000
Montgomery Canal restoration	£788,000

Dylan Thomas Boathouse, Laugharne	£104,750
Ffestiniog Railway	£350,000
Anglesey Heritage Gallery	£800,000
Parc Glynllifon	£717,603
Bala Lake Tourism Development	£1,750,000
Welsh Wildlife Centre	£507,585

The variety of projects involved in the two EU funded rural programmes demonstrates the diversity of activities the EU has helped to sustain and develop:

Leisure Centres at Aberystwyth, Pwllheli, Barmouth, Llangefni, Machynlleth and Brecon	£6,200,000
Carmarthen Bay Power Station development	£3,300,000
Llanelli Relief Road at Trostre	£6,900,000
Caernarfon Town Centre Regeneration	£1,100,000
Haverfordwest Business Centre	£375,000
Wyeside Arts Centre	£215,184
Development of Parc Menai Business Park	£622,000
Royal Welsh Showground Water Supply	£496,890
Radio Signalling Scheme, Cambrian lines	£1,082,500
Milford Docks Redevelopment	£5,120,000

Rural Wales will continue to benefit from significant EU funding in the period 1994-99, having retained its status as an eligible area under Objective 5b of the Structural Funds. (See Chapter on Structural Funds)

### **Welsh LEADERS**

Within the broad framework for tackling rural problems, the European Commission recognised the scope for directly assisting local community organisations and individuals to acquire the expertise to run their own affairs without having to rely upon outside advice.

So the LEADER programme was launched in 1991 as an EC Community Initiative to support community-based initiatives in rural areas. In Wales, four local organisations were awarded EC funding worth £2.6m:

Antur Teifi; Menter Powys; South Gwynedd Enterprise Network; South Pembrokeshire Rural Developments Initiative Ltd.

The Welsh LEADER programmes encourage community groups and individuals to produce innovative ideas for economic projects in their area, covering such topics as information technology, tourism, small businesses and agriculture. The LEADER programmes are also sensitive to the needs of Welsh culture and language and seek to ensure that the needs of the modern rural economy do not swamp this aspect of Welsh rural life.

One project which demonstrates the breadth of EU commitment to rural Wales is Antur Teifi's Telematics Centre at Newcastle Emlyn. This centre, which received ERDF funding worth £330,124, with sophisticated communications screens and terminals and plugged into EU and other databases, is what life in rural Wales could be like in the next century – the opportunity to run a successful business linked to the rest of the world without needing to sacrifice the rural lifestyle.

### EU RURAL INFORMATION CENTRE

The West Wales European Centre opened in early 1994 following the European Commission's approval of an application from Dyfed County Council to become the first Welsh member of the European Rural 'Carrefours' Network.

Based in Carmarthen, the Centre is run in close association with Antur Teifi, Newcastle Emlyn and the South Pembrokeshire Partnership for Action with Rural Communities (SPARC), at Narberth, both of which are members of the LEADER European Network.

One of only 29 members of the EU Carrefours Network, the West Wales European Centre provides information on EU rural policies and of the help available through EU programmes and feeds back information to the European Commission on the dynamics of the region.





## 7 Agriculture

The Common Agriculture Policy has long been depicted as the bogeyman of the European Union. Bitterly resented by the EU's trading partners because of the manner in which subsidised farm products are sold on international markets' the CAP has been the cause of frequent tension between the 12 and, in particular, the United States. The chief problem with CAP were the high levels of production for which there was no real demand. Since under the CAP, farmers were guaranteed high market prices, the more they produced the greater their income.

Over production has been exacerbated by unprecedented increases in productivity with milk yields up by 50% in 20 years and cereal yield 75% higher. At the same time, the EU has increased its self-sufficiency to well over 100% for most of the major commodities while consumption has remained broadly static.

While the CAP has succeeded in securing food supplies and stabilising markets at reasonable prices for consumers, it has been at the cost of increasing surpluses and budget expenditure.

For over a century, Wales has suffered from rural depopulation as people quit the land for better paid jobs on the industrialised southern coastal strip and in north-east Wales.

This drift has not been so evident since the UK joined the EC in 1973. The area of land in Wales presently under crops or livestock is almost 1.5 million hectares, much the same as it was in 1977. During the same period, the total number of farm holdings has shrunk by 2,000 to 29,903 and those employed on the land declined by 3,000 to 53,103.

49% of all Welsh farms are classified as being within the Less Favoured Area, covering 79% of all agricultural land in Wales. Farm incomes which peaked in 1989/90 before falling sharply are now beginning to recover.

The first serious reform of the CAP was in 1984 when milk quotas were introduced to control over-production. At the time it was feared the Welsh dairy industry would suffer irreparable damage. In the end, however, it emerged quite favourably from the distribution of quota in the UK.

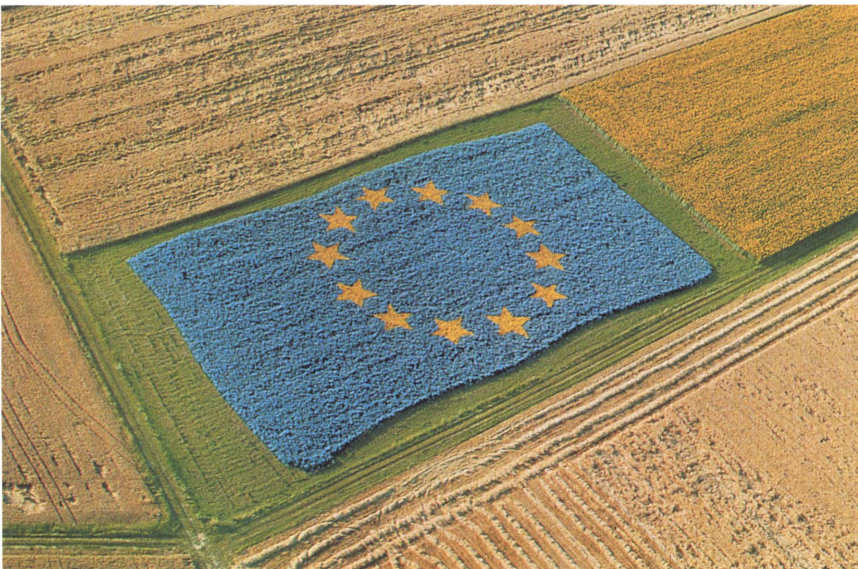
Milk quotas were followed by cuts in guaranteed prices for cereals and beef, and the introduction of production ceilings, all designed to curb excessive surpluses. Today the production of milk and milk products represents 32% of all agricultural production in Wales compared with 35% in 1978.

Ewe and lamb production – Wales has 11 million sheep – accounts for 27.5% of agricultural activity, cattle 18.2%, and only 5.3% of the land area devoted to crops.

Since a large part of rural Wales is seen as being severely disadvantaged, farmers in these hill and mountain areas have qualified for Hill Livestock Compensatory Allowances (HLCA's) for ewes and suckler cows, in addition to the annual headage premium paid to all sheep farmers.

Consequently, the CAP reform package of 1992 was most significant for Wales, given its dependence on the sheep sector. For the first time, quotas were fixed for sheep, the producer receiving an annual premium from 1993 based on the number of sheep on holdings in 1991. Other measures included a freeze in guaranteed milk prices, cuts in butter, beef and cereal prices, and a reduction in milk quotas.

Welsh agriculture has emerged quite well from these reforms. Sheep farmers welcomed quotas since there was always the risk that production would become concentrated on better land to the detriment of farmers in disadvantaged areas such as Wales.



Wales is one of the lowest-cost sheepmeat producers in the EU with 5m breeding ewes. Fifteen years ago the Community was only 60% self-sufficient in sheepmeat: it is now close to total sufficiency.

Similarly, the earlier reforms in the dairy sectors when milk quotas were introduced have created a more stable environment for farmers and the prospect of better times as competition for milk intensifies. Meanwhile, the Single Market has helped improve prices for Welsh lamb.

Today it is hard to imagine Wales without the CAP. In the Less Favoured Area covering the largest part of Wales, farmers derive 50% of their income from premiums and compensatory payments. Every breeding ewe is worth £30 a head from Brussels after all the sums have been done.

While producer aids such as this account for 90% of all CAP support (and 50% of the EU budget), it does not end there. The so-called 'Guidance Section' of the CAP provides funds to help to improve farm structures and profitability, diversify into non-farming activities and develop better marketing and processing techniques.

Since 1978 Wales received £11 million from the FEOGA Guidance Section including a grant for £375,000 to a creamery cooperative in the Pwllheli area producing its own cheese using milk from local farms. The grant enabled the creamery to install a pre-packing unit so that cheese could be produced in a form appropriate for supermarket retailers.

Meat processing facilities in both Swansea and Dyfed have also received FEOGA grants, while at Brecon, Beacons Country Products, has been formed to promote sales of added-value livestock, timber products, together with the development of business skills available within the National Park. This unique project includes a mobile slaughter hall enabling a farmer-run producer group to maintain control of their stock right through to the retail stage where greater profits can be made. 'Beacons Country Products' is a 3-year project which received an FEOGA grant of £493,000.

British membership of the European Union offering, as it does access to the world's largest single market of 342 million people, has been directly responsible for creating an environment in Wales attractive to investors from outside the Union. The Welsh Development Agency and the Welsh Office have been given a strong platform from which to pursue inward investment, capitalising upon it to a remarkable extent. In the 10 years from 1983-93, the total value of all inward investment to Wales, both from within and outside the Union, has been just over £5 billion, another £1 billion coming from the UK.

The figures speak for themselves. Almost one-third of the 209,000 people employed in manufacturing industry in Wales in 1992 were employed in 344 overseas-owned companies, an increase of 42 per cent since 1985. The largest employer remains the United States with 42 per cent of the total employment at Wales-based overseas owned manufacturing plants. Japan's share of the jobs is 18.5 per cent and other European Union countries 22 per cent. The first Japanese factory opened in Wales in 1973 – the year Wales became part of the EC.

Nearly a quarter of the employment is in electrical and electronic engineering, the other main sectors being motor components and the chemical industry.

The same pattern of inward investment is evident from statistics for specific new plant openings in Wales of which 1218 have been recorded since 1966. These have made a major contribution, providing half of all job opportunities at plants in Wales with 11 or more employees.

These new plants are concentrated in Clwyd and Gwent each with 24 per cent of all new jobs provided with a further 23 per cent in Mid Glamorgan. Nearly one third of the 104,500 job opportunities provided at new openings are at plants which opened under the ownership of overseas parent companies.

### OVERSEAS OWNERS

Country	No. of Plants	Jobs (thousands)	% of total jobs in overseas ownership
USA	112	27.8	42.1
Japan	33	12.2	18.5
Germany	41	5.1	7.7
France	22	4.5	6.8
Italy	7	1.5	2.3
Denmark	9	1.0	1.5
Ireland	14	0.9	1.4
Other EU	17	1.5	2.2
Sweden	14	1.8	2.7
Switzerland	14	1.3	2.0
Other Europe	13	2.1	3.2
Australia	18	0.5	0.8
Canada	16	4.3	6.5
Others	14	1.6	2.4

*Source: Welsh Economic Trends, 1993.*

Coal, steel and agriculture: that has been the predominant story of Welsh industry for much of the last three hundred years. The almost universal perception has been of a landscape where the Valley coal tips run down to the sea, and an horizon punctuated by the smoke stacks of the iron and steel industry. And beyond this industrial heartland: sheep for as far as the eye could see.

Dramatically, this has all changed within the space of 40 years. In 1951, there were 110,000 men employed in the coal and quarrying industries in Wales. Now there is only one remaining working public sector colliery at Point of Ayr in Clwyd.

The steel industry has also contracted massively, abandoning traditional valley locations where the ironworks were built close to their sources of coal and ore. Today, they have been replaced by huge integrated steel plants at Port Talbot and Llanwern occupying post-war greenfield sites on the coast.

With this background, it is hardly surprising that in Wales there has been no strong tradition of small and medium size industries. The decline of traditional industries made it imperative the European Union took as a priority how best it might support the creation of new replacement sources of industrial activity.

Small and medium-size (SMEs) businesses are identified by the EU as having fewer than 500 employees and not more than £50m in net fixed assets.

One of the principal instruments for financial investment by SMEs is the European Investment Bank which within the UK has established a global loan facility through Barclays Bank to cover individual loan applications up to £20m, the aim being to encourage smaller companies to fund new investment by medium or long term finance rather than through bank overdrafts.

## **Europartenariat**

Access to finance is important, but co-operation and partnership are equally essential if small businesses are to become the seed corn of a new enterprise culture in Wales. Consequently, the decision by the European Commission to choose Wales to host Europartenariat in the grounds of Cardiff Castle in June 1990 was a milestone in this process of establishing business co-operation between partners in Member States.

More than 600 firms and business representatives from other EU countries, plus Poland, Hungary, Cyprus and Finland participated along with 170 Welsh companies selected on the basis of their performance, products, management style and the sort of co-operation they were seeking. By the end of the two-day event 2000 business contacts had been established between Welsh companies and visiting firms.

## **Euro Info Centres**

Information is all-important in establishing new businesses equipped to prosper in the Single European Market. Since 1987 a network of 210 Euro Info Centres (EICs) has been established by the Commission linking all Member States, the aim being to provide a decentralised information service for SMEs relevant to the business opportunities within the Single Market.

In 1989 the European Commission approved an application from a Welsh consortium comprising Clwyd County Council, University of Wales College of Cardiff, and the Welsh Development Agency to establish an EIC in Wales with offices opening in May 1990 in Mold and Cardiff.

## **Business and Innovation Centres**

Fledgling businesses and their employees require the support of a complete range of business promotion services if SME's are to develop the appropriate innovation and entrepreneurial skills.

This is a key element in the regeneration of local economies and there are two Business and Innovation Centres in Wales co-funded by the EC, South East Wales BIC, Cardiff and Newtech Clwyd Ltd, Deeside Industrial Park, Clwyd. Cardiff City Council's European Business Centre is a member of the EC's Business Co-operation Network (BC-Net), which enables businesses to identify quickly and confidentially potential partners in other Members States, EFTA countries and a growing number of third countries.

Research and technological development have become key factors in the political and economic life of the European Union in response to the challenge posed by Japan, the United States, the Pacific rim countries and others. A new Fourth RTD Framework Programme (1994-98) has recently been agreed by the EU with a budget of £9.5 billion.

A relatively small amount is spent on R&D in Wales, equivalent to only 1.1 per cent of GDP in 1989 whereas in Wales' partner regions Baden Wurttemberg and Rhone Alps the corresponding figures were 3.6 per cent and 2.4 per cent.

In the period 1987-92 Welsh firms, universities and research institutions benefitted from EC funding worth £12.1m to participate in a total of 120 cross-border R&D projects, which created 461 working relationships with counterparts in the European Union. Of these, 71 projects have been with French partners, 67 with German, 52 with Dutch and 49 projects with Spanish partners.

The upgrading of the Welsh economy's technological base, skills content and RTD facilities is the main focus of an EU co-funded project to develop a Regional Technology Strategy (RETAS) for Wales. The project managed by the Welsh Development Agency has secured a £250,000 EU grant and is one of only four within the European Union, the others being in Saxony, Limburg and Lorraine.

At Treforest in Mid Glamorgan, the EC co-funded WALES RELAY CENTRE finances the dissemination and exploitation of results of EC research and technological development projects particularly in facilitating access by small businesses to research results and the buying and selling of technology between Member States.

As part of the THERMIE project to support the application of new energy technologies two wind power companies received grants worth £4m to develop wind farms in Anglesey and at Mynydd Gorddu, Wimpey Hobbs was awarded a £1m grant to demonstrate a landfill gas-fired limestone calciner, and the University of Wales College of Cardiff £270,000 to demonstrate energy saving in distribution transformers with amorphous cores.



## 11 A Better Environment

At one and the same time, the Welsh landscape testifies to man's capacity for safeguarding the natural environment in all its pristine splendour, only to abuse it elsewhere to the very point of extinction.

Human activity has always been a source of waste and pollution, not least of all in Wales which fought in the cockpit of the last industrial revolution.

But now there is almost universal acceptance that we must match our economic and social activities to what the earth can bear. This principles of sustainable development lies at the very heart of the European Union's actions to protect our environment.

Since the early 1970's, the EU has implemented approximately 200 pieces of legislation covering the pollution of air, soil, water, waste disposal, product standards and the protection of nature.

There are more than 30 pieces of legislation affecting water and what we put into it. According to the Welsh Office:

- 99.4% of DRINKING WATER in Wales presently satisfies EC quality standards.
- of the 51 BATHING WATERS identified in Wales by the EC in 1992, 76.5% complied with mandatory standards for faecal coliforms, the bacteria that cause stomach upsets.  
Three beaches along the Welsh coast, Cefn Sidan, Tenby North and Whitesands at St David's won a European Blue Flag.
- 94% of RIVER WATER in Wales was considered of good or fair quality in 1990 compared with 44.5% in West Germany and only 34% in France.

A major investigation into one of the most serious problems confronting former coal-mining areas – the contamination of waterways by colliery waste – is being funded by the EC.

The project at two sites on the River Pelenna near Tonmawr in West Glamorgan is intended to demonstrate how a series of constructed reedbed wetlands can rehabilitate land affected by mine discharges. More than £500,000 will be invested by the EC in this demonstration involving both West Glamorgan County Council and the National Rivers Authority.

Europe's capacity for innovation, its competitiveness and its ability to create wealth and prosperity for all its citizens will depend very largely on how much it invests in human resources. This investment is primarily a matter of education and training. The EU aspires to promote the development of quality education and training by encouraging cooperation amongst Member States and, if necessary, supporting and adding to the measures which they take. At the same time it respects the independence of existing education systems and the cultural diversity of Europe.

In higher education the EU has a lot of ground to make up: the number of students is 39 per 1,000 population as against 66 in Japan and 79 in the USA.

Wales has 560,500 pupils in full-time education ranging from the pre-primary stage to secondary level, 83,600 of these in vocational/technical education. A further 50,100 are engaged in higher education, just 8% of the total number of pupils. In other EU countries this figure is usually well in excess of 10%.

There is ample evidence that Wales has featured strongly in existing EU programmes:

**COMETT:** This Programme was launched in 1986 to increase cooperation between universities and industries in technological training. In 1992 there were 71 new COMETT projects in the UK of which 7 involved Welsh institutions and enterprises. 2 University and Training Enterprise Partnerships were set up in Wales in 1990 organising some 100 work placements abroad for Welsh students in 1990-92.

**ERASMUS:** is designed to provide financial support for measures which encourage greater cooperation between universities and other institutions of higher education in different Member States.

Welsh students and members of staff have already benefitted from these exchanges. In 1992/93 grants awarded totalled about £650,000.

Cardiff and Swansea are the two colleges with the highest level of participation, and in Wales as a whole in 1992, 970 Welsh students studied abroad while 1,200 European students came to Wales to study.

**EUROTECNET:** This EU Programme was set up for five years, 1990-94 to promote innovation in vocational training to deal with the impact of technological change. Currently there are 29 of these projects underway in the UK of which 3 are in Wales, one of these being a continuation of a project started at Carmarthenshire College of Technology and Art, Llanelli, dealing with the transfer of manufacturing technology.

**FORCE:** This is an EU initiative investing in continuing vocational training of workers. 8 of the 54 UK participants involve companies in Wales with a budget of £220,000. For example, Coleg Powys, Llandrindod Wells, one of the original contracting organisations, is involved with Italy, Germany, France and several other UK companies in the European Consortium of Health and Fitness.

Edwards Geldard, the Cardiff-based firm of solicitors, has partners in Germany, Spain, France and Italy in a project focusing on, 'Europe without frontiers— legal barriers to cross-border trade', and were awarded a second grant in 1994 worth £15,000 to continue its work in this field.

**PETRA :** Young people who wish to proceed to vocational training on completion of compulsory education are funded by the EC so that they can participate in a European network of training partnerships and youth initiatives. In 1992 young people from Wales were involved in 3 partnership schemes costing the EC some £38,000.

Bridgend College of Technology has linked with Greece, Italy, Denmark and Luxembourg in a partnership studying information technology and quality control in tourism, together with vocational training techniques for disabled people.

The Youth Initiative has brought together 21 single-parent mothers in Abertillery to form a self-help group to improve their employment prospects and skill levels. Powys County Council has been involved in setting up a European training scheme for young people and counsellors.

**YOUTH FOR EUROPE:** Targetted at the 15-25 age group, this scheme enables young people from Wales to take part in a wide range of exchange activities with an educational purpose. In 1992, 24 youth projects, were organised from Wales, involving 440 young people in a programme benefitting from EU funding worth £25,000.

**TEMPUS:** This Programme is part of the European Union's response to the needs of the emerging democracies in Central and Eastern Europe, enabling higher education institutions to cooperate with their counterparts in the East over vocational training and student mobility.

Welsh institutions are involved in 38 TEMPUS projects, and together with two private enterprises (British Steel Consultants and Rockfield Software, Swansea) act as project coordinators. Almost everything from the reform of French-language teaching in Eastern Europe to computer teaching techniques are covered by the programme, the University College of North Wales, Bangor working with Hungary on the development of agricultural education.

**LINGUA:** assists Member States with the improvement and extension of foreign language teaching and training. In the period 1992/93, Welsh institutions were involved in 35 joint projects with European partner institutions.

**ACTION JEAN MONNET:** This Programme encourages university and higher education establishments to adapt courses to take account of EU developments and to incorporate European integration studies into their curricula. The Universities of Glamorgan, Aberystwyth, Swansea, Bangor, Cardiff and the North East Wales Institute have received EC funding totalling £106,000 under this programmes.

## 13 Cultural Chaperone

Wales is representative of Europe's rich cultural diversity, the safeguarding of which the Treaty of European Union accepted as a priority. The Treaty provides for policies to help national and regional cultures flourish, at the same time reinforcing the sense of common cultural heritage and common values.

While many towns and local authorities in Wales have long had European 'twins', there will now be even greater encouragement for exchanges between Europe's citizens so that they become more aware of each other's cultures and traditions.

One of the key EC programmes for cultural development is the Kaleidoscope Scheme making discretionary awards for events involving participants from at least three Member States and which stimulate cooperation. The Magdalena Project for 'Women in Theatre', based in Cardiff, received a £7,000 award in 1993 and a further £12,500 in 1994. Prior to this, Europe Week, Cardiff, was awarded £7,000 in 1991 for organising a programme of cultural events.

### Architectural Heritage

Wales' architectural heritage has also been a recipient of EU support. Newport's famous Transporter Bridge, built in 1906 and one of only five remaining in Europe, was in urgent need of repair and seemed doomed until saved by grants from the European Regional Development Fund (£500,000) and from the EC Programme to Conserve the European Architectural Heritage (£72,000).

Conwy Castle Suspension Bridge also received £125,000 from the Architectural Heritage Programme in 1990.

### ECTARC

At Llangollen, Clwyd, a 19th century chapel was converted into the European Centre for Traditional and Regional Cultures (ECTARC) visited by 120,000 people every year, and providing exchange programmes for young people, cultural research, conferences, and facilities for the performing arts.

ECTARC received a grant from the European Regional Development Fund worth £97,625 for the conversion of the chapel in 1988 and has since received further grants totalling £128,500 for the marketing and improvement of its facilities.



*ECTARC, Llangollen*

## Lesser Used Languages in the EU

Welsh language-based culture is one of the broadest and most distinctive of Europe's minority languages. An estimated 50 million citizens of the European Union use a language in their everyday lives which is different from the language of the Member State in which they live.

The European Bureau for Lesser Used Languages was set up in 1982 and seeks to promote and preserve the lesser-used autochthonous languages of the European Union, together with their associated cultures. It is an independent body registered as a limited company without share capital in Ireland. It works in close cooperation with the European Commission and the European Parliament, Member States institutions, the Council of Europe and other bodies in the furtherance of its aims. The Bureau has a Secretariat in Dublin and also a Welsh sub-Committee.

The Mercator Project has been set up, with support from the European Commission and the European Bureau for Lesser Used Languages, to structure and coordinate the flow of information about minority languages in Europe, establishing a large database with the help of a network of European centres.

One of these Centres is based at the Department of Information and Library Studies at University College of Wales, Aberystwyth, whose main objective is to collect information on the lesser language media of the EU.

## Welsh Language

Several Welsh language schemes have benefitted from EC support, including the National Eisteddfod of Wales, which, in recent years, has received an annual grant of around £25,000 to run Welsh language courses for learners in the locality where the Eisteddfod is held.

A three-year grant totalling £20,000 was made to Mudiad Ysgolion Meithrin so that the Welsh Language Nursery School Movement embracing 14,000 children up to five years could produce materials and training programmes enabling non-Welsh speaking parents to acquire the basics of the language.

Other language-linked projects have included a grant worth £19,000 for the Celtic Television and Film Festival, Carmarthen in 1992 and £20,000 for a three year project led by The University of Wales Centre for Advanced Welsh and Celtic Studies, Aberystwyth, to research and publish a Social History of the Welsh Language, 1536-1991.

Further recipients of funding towards projects involving the Welsh language include the Welsh Department at University College of Wales, Cardiff (£28,000) and Acen Cyf, Cardiff (£19,000).

The European Regional Development Fund has also provided six grants totalling almost £800,000 to Urdd Gobaith Cymru towards the development and improvement of the Urdd's facilities at Llangrannog and Pentre Ifan, Dyfed and at Glan Llyn, Gwynedd.

The European Social Fund made grants worth more than £500,000 available to Menter a Busnes, Aberystwyth towards the setting up of business development and support programmes for Welsh speakers – as well as grants worth £553,000 for television technology and production courses in the Welsh language organised by Cyfle Cyf, Caernarfon, Gwynedd in the period 1989-93.

## The Audio-visual Industry

The development of a stronger, more integrated European audiovisual industry is another aspect of EU cultural activity. The Media Programme 1991-95 offers a range of training, advice, seed capital and financial support for projects relating to the cinema, television and video industries and comprises some 19 funding schemes to encourage pan-European productions.

Successful applicants in Wales under the various Media schemes include:

Siriol, Cardiff; Llundain Lliw, Cardiff; Criw Byw, Cardiff; Eurofocus, Llanllyfni, Gwynedd; Ffilmiau Eryri, Y Felinheli, Gwynedd; Llun y Felin, Llanrug, Gwynedd; Chapter Community Arts Centre, Cardiff.

In Wales, Screen Wales, a partnership between BBC Wales, S4C, TAC (Association of Welsh Independent Producers) and the Welsh Development Agency, provides information on various programmes, organises seminars and courses, publishes a Media Newsletter and generally encourages activities under the MEDIA programme.

The object is to plan the future prosperity of an industry already worth £250 million, or 1% of Wales' GDP, and directly employing some 4,000 people in Wales. The project is jointly funded by the EC and Screen Wales.



## 14 Greater Europe

Any European state can apply to join the European Union so long as it satisfies three basic conditions: it has a European identity, is a democracy, and respects Human Rights.

Ten countries have now formally applied for membership. Enlargement negotiations were concluded successfully in early 1994 with Norway, Sweden, Finland and Austria. Following the resounding vote of approval given by the European Parliament to EU Membership for these four countries in May 1994, referenda will now be held later this year in these countries with a view to them joining the EU on 1 January 1995. Further membership applications have also been received from Turkey, Malta, Cyprus, Switzerland and, most recently, Hungary and Poland.

In the meantime, all EFTA countries, apart from Switzerland, joined the 12 EU states in the European Economic Area from January 1994, creating by far the largest consumer market in the world with 380 million people.

