

EUROPEAN PARLIAMENT



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A3-0277/92

R E P O R T

of the Committee on Regional Policy, Regional
Planning and Relations with Regional and Local
Authorities

on economic and social cohesion in the context of
the completion of the single market and Economic
and Monetary Union

Rapporteur: Mrs María IZQUIERDO ROJO

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Or. ES

* Consultation procedure requiring a single reading
**| Cooperation procedure (first reading)

**|| Cooperation procedure (second reading) requiring the votes of a majority of the current Members of Parliament
*** Parliamentary assent requiring the votes of a majority of the current Members of Parliament

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By letter of 15 July 1990 the Committee on Regional Policy, Regional Planning and Relations with Regional and Local Authorities requested authorization to draw up a report on economic and social cohesion in the context of the completion of the single market and Economic and Monetary Union.

At the sitting of 10 September 1990 the President of the European Parliament announced that the committee had been authorized to report on this subject.

At its meeting of 18 and 19 December 1991, the Committee on Regional Policy, Regional Planning and Relations with Regional and Local Authorities decided to include in its report the following motion for a resolution which had been referred to it:

- B3-0884/91; authors: Mr Ribeiro and others; subject: the need to pay attention to and to set aside specific aid for the most backward regions in the Community; announced in plenary sitting: 11 September 1991; opinion: Committee on Budgets.

At its meeting of 18 February 1992 the committee appointed Mrs Izquierdo Rojo rapporteur.

At its meeting of 22 and 23 April 1992 and 19 and 20 May 1992 the committee considered the draft report.

At its meeting of 24 September 1992 it adopted the motion for a resolution unanimously.

The following were present for the vote: Gutierrez Diaz, chairman; David and Cushnahan, vice-chairmen; Arbeloa Muru, Bettini, Calvo Ortega, Contu, Da Cunha, Dessylas, Escuder Croft, Falconer, Ferrer, Fitzgerald, Forte, Izquierdo Rojo, Köhler, Moretti, Musso, Pack, Romeos and Rosmini.

The report was tabled on 30 September 1992.

The deadline for tabling amendments will appear on the draft agenda for the part-session at which the report is to be considered.

A

MOTION FOR A RESOLUTION

on economic and social cohesion in the context of the completion of the single market and Economic and Monetary Union

The European Parliament,

- having regard to the final declaration of the Second European Parliament-Regions of the Community Conference held in Strasbourg from 27 to 29 November 1991,
 - having regard to the resolution on economic and social cohesion in the light of the implementation of the single market and with a view to Economic and Monetary Union adopted by the Second European Parliament - Regions of the Community Conference,
 - having regard to the resolution on the operation of the Community's Structural Funds and its lending instruments adopted by the Second European Parliament - Regions of the Community Conference,
 - having regard to the Treaty on European Union signed in Maastricht by the Heads of State and Government of the Community on 7 February 1992,
 - having regard to the Commission communication 'From the Single Act to Maastricht and beyond: the means to match our ambitions' (COM(92) 2000 final),
 - having regard to the Commission communication 'Community structural policies: assessment and outlook' (COM(92) 0084 final),
 - having regard to the resolution by Mr Ribeiro and others on the need to pay attention to and set aside specific aid for the most backward regions in the Community (B3-0884/91),
 - having regard to Rule 121 of its Rules of Procedure,
 - having regard to the report of the Committee on Regional Policy, Regional Planning and Relations with Regional and Local Authorities (A3-0277/92),
- A. having regard to the central role assigned to economic and social cohesion by the Maastricht Treaty, as being a guiding principle of the construction of Europe, and to the principles and guidelines set out in the protocol on economic and social cohesion annexed to the treaty,
- B. whereas, according to the analyses supplied by the Commission, at least twice the sum of the resources at present available under the Structural Funds will be required to meet the needs of the Objective 1 regions for the period 1994-1998,
- C. whereas the marked regional inequalities existing in the Community constitute the greatest obstacle to the creation of a cohesive Community capable of prospering on a basis of the balanced development and growth of all its component areas,

- D. whereas the commitments assumed by the Member States with a view to Economic and Monetary Union imply a new economic framework in which the least-favoured regions will be faced with a climate of budgetary adjustments and austerity arising from the objective of the nominal convergence of the various national economies,
- E. whereas significant reductions in regional inequalities have occurred only in periods of substantial economic growth, and whereas, in this connection, it is essential that the commitment to Community competitiveness implied by the internal market and Economic and Monetary Union should produce beneficial results for all the Community's regions,
- F. whereas, however, it is essential to pre-empt the short-term negative effects on the least-favoured regions likely to result from the removal of internal barriers, and liable to be aggravated by the convergence policies, if the structural problems of those regions are not to become obstacles consigning them to permanent marginalization within a prosperous Community,
- G. whereas, in the present context, it is more than ever incumbent on the Community to guarantee that all its regions will have access, on a basis of equal opportunity, to the benefits arising from the construction of Europe, and whereas, as President Delors has said, the Economic Union will be faced with serious political and economic uncertainties unless the necessary attention is paid to regional inequalities,
- H. whereas the Structural Funds, despite their essential role, can only be one aspect of the Community's strategy to reinforce cohesion, which must take full account of the effects on it of the other Community policies, and whereas the reform of 1988 has had significant and positive results, as shown in the Commission communication 'Community structural policies: assessment and outlook',
- I. noting the substantial weight which the structural policies have acquired in the Community budget, as well as the likely increase implied by the financial perspectives submitted by the Commission for 1993-1997, but aware nevertheless that the Community budget, given its limited resources and the regressive character of its funding, is not capable of having significant effects in terms of redistribution or resource allocation,
- J. having regard to the disturbing data contained in the Commission communication 'Community structural policies: assessment and outlook', according to which approximately ECU 50 bn per annum would be required from 1994 simply to bring the Objective 1 regions up to the Community average as regards strategic infrastructures (transport, telecommunications, energy, the environment, education and vocational training, rural employment, etc.),
- K. whereas the total allocation of the Funds amounts to 0.3% of total Community GDP, that is, less than one-tenth of the total volume of internal transfers in the industrialized countries with federal structures,
1. Considers that the new status given to the principle of cohesion by the Maastricht Treaty, as being a basic pillar of European construction (see the new Article 2 of the EC Treaty), implies a mandate for developing a

strategy for economic growth based on solidarity, integration and sustainable development;

2. Reiterates its concern regarding the social and economic evolution of the less-favoured regions, where, despite the substantial allocations under the Community structural policies in terms of percentage of GDP of those regions and gross capital formation, the problems are so far-reaching that real convergence of those regions with the Community average will only be possible in the long term on the basis of a sustained financial effort of far greater proportions than what is currently offered;
3. Stresses that it is the Community's responsibility under all circumstances to ensure that all its regions have the same opportunity to share in the benefits of the single market and Economic and Monetary Union;
4. Welcomes the creation of the Cohesion Fund, and considers that the coherence of Community regional policy is reinforced by the exclusive devotion of this fund to projects in the areas of the environment and transport infrastructure, and endorses the Commission's proposal to speed up the institution of the fund;
5. Proposes that action should be taken to define and establish the standards in respect of 'minimum priority services' which should apply in all regions in the Community, with a view to determining policies for the promotion and equipment of those minimum priority services in those regions where existing standards are most obviously below the Community average;
6. Recalls the mandate provided by Article 130b of the Treaty, which states that the formulation and implementation of the Community's policies and the implementation of the internal market must take into account the objective of economic and social cohesion; and deplores the failure to put this mandate into practice, insofar as certain Community policies not only take no account of it but are having counter-productive results, tending to worsen regional inequalities;
7. Calls on the Commission, in the context of the new reform of the Structural Funds and the discussion of the financial perspectives for 1993-1997, to devise a coherent framework for the development of the various Community policies in relation to economic and social cohesion;
8. Considers that the principle of cohesion should apply not only to expenditure policies but also to the policies governing Community resources, and that, consequently, it is essential to ensure rigorous compliance with the mandate given by Maastricht to take steps to correct the regressive character of the present resources system and to propose new and effective mechanisms for the redistribution of income and allocation of funding;
9. Considers that the completion of the internal market and the process of European union require the creation of ambitious social and environmental policies with a view to promoting a model of sustainable development in the Community;
10. Considers that a regional development strategy conceived as being consistent with the principles of sustainable development may be hindered

by the inadequacy of the economic indicators generally employed to establish specific goals; and calls, accordingly, for detailed efforts to be made to devise more suitable and significant indicators for measuring 'quality of life' criteria;

11. Stresses that a rational and effective Community regional policy must be conceived in the context of an overall regional planning vision, and welcomes the inclusion, in the Treaty of Maastricht, of trans-European networks among the Community's competences, thus institutionalizing an embryonic Community regional planning policy;
12. Draws attention to the huge regional inequalities in the area of investment in research and development, both at Community level and within Member States, and considers that Community action in this field should be aimed at reducing this imbalance and at remedying the present situation, under which the less-favoured regions are only marginally represented in the Community's R&D programmes, with a view to active cooperation in the structural adjustment and economic advance of these regions; and calls for reinforced coordination between the framework programme and the Structural Funds and for measures to facilitate and stimulate participation in the framework programme by undertakings in the least-favoured regions;
13. Considers, in this connection, that investment in the area of technological research and development should correspond primarily to social and economic imperatives consistent with sustainable development, and that, to this end, there must be targeted coordination of national and Community policies;
14. Considers that competition policy should be consistent with the Community objectives of cohesion, so that their effects complement and reinforce each other, and that the opening of borders and the new era facing the Community imply an increased need to develop a set of instruments to ensure a more effective distribution of aid at national and regional level than that prevailing at present;
15. Considers that one cannot evaluate the impact of the financial perspectives on economic and social cohesion purely on the basis of allocations to structural actions, and that the impossibility of predicting the consequences of the new CAP over the next five years makes it impossible to quantify the effects of the Community budget on regional inequalities; believes, however, that there is no case for postponing or delaying cohesion policies until the consequences of the new CAP are known, but that, rather, any subsequent adjustment should be introduced on a flexible basis, where necessary; considers that attention must be drawn to the pernicious effects which any partial renationalization of the CAP would have in the long term on the less-favoured regions; and believes that any proposals for direct income support to farmers must, as a matter of priority, take account of the production of biological foodstuffs certified as such and the vital need to keep rural communities alive, from the viewpoints of both employment and environmental protection;
16. Welcomes the significant and positive results of the reform of the Structural Funds, in the light of their role as the main instruments of Community action for the alleviation of regional inequalities;

17. Considers, however, that if the effectiveness of the Community's structural actions is to be improved from 1994, consideration should be given to the following policies:
- strengthening of partnership as a manifestation of the principle of subsidiarity;
 - enhancement of flexibility via simplified decision-making processes, improved identification of development priorities and greater modulation of the Community intervention rates;
 - extension of the fields of Community intervention, especially via Community initiatives and a physical planning policy;
 - reinforced interregional cooperation;
 - improved verification of additionality via greater transparency in the budget procedures.
18. Considers that the principle of additionality must be honoured if structural intervention is to be effective, and that, given the new context of preparation for Economic and Monetary Union, a link must be established between verification of adherence to the principle of additionality and the funding of future projects for individual Member States;
19. Welcomes the Commission's commitment in its communication 'Community Structural Policies: Assessment and Outlook' to an increased degree of flexibility in the percentages of Community funding, which will improve the concentration of aid;
20. Stresses that cooperation is the key principle of the reform, since it determines and conditions the application of the other principles, and considers that, in the light of accumulated experience, the application of this principle should be strengthened, from the viewpoints of both participation by the regional authorities - implying greater procedural simplification and more direct responsibility for the regional authorities in the work of planning, executing and evaluating actions - and greater participation by the social partners;
21. Considers that regional autonomy is an essential factor for regional development, and stresses the need to avoid a situation where the more decentralized Member States are comparatively penalized as regards the deadlines for drawing up development plans due to their greater difficulties in ensuring administrative coordination or controlling public expenditure;
22. Considers that the Structural Funds should be primarily instruments for economic development aimed at contributing to the creation of physical and human capital in the less-favoured regions, and insists that absolute priority must be given to a sustained effort in the field of vocational training, especially in view of the frequent link between employment difficulties and a lack of suitable qualifications;

23. Considers, however, that the beneficial effects of the funds will only be felt in a valid and durable manner if all Community policies are guided by the basic objective of sustainable development;
24. Recalls that structural backwardness has its cultural, social and political implications, and that if the deep causes of the phenomenon are to be tackled actions must be undertaken in such areas as health and, especially, education, above all in the Objective 1 regions;
25. Emphasizes the need for more extensive use of EIB funds on the basis of improved coordination of EIB actions with the other structural instruments, and stresses that the Bank should ensure conditions for access to capital for the less-favoured regions and provide mechanisms making it possible to incorporate its forecasts concerning credit availability into regional structural planning;
26. Draws attention to the fact that, in addition to the problems of absorbing funds linked to the application of the additionality principle, the less-favoured regions face difficulties in attracting financial resources, often owing to problems concerning the profitability of investments, which is insufficient to attract capital on market terms, and considers that there must be a specific policy of incentives to attract capital, in parallel with the promotion of endogenous development and local business initiatives;
27. Stresses that, given the importance placed on economic and social cohesion in the Treaty of Maastricht and the level of resources proposed for regional development, it is essential to hold formal periodic meetings of the Council to discuss questions of regional planning and regional policy
28. Instructs its President to forward this resolution to the Commission, the Council and the Consultative Council of Regional and Local Authorities.

12 June 1991

B3-0884/91

MOTION FOR A RESOLUTION

pursuant to Rule 63 of the Rules of Procedure

by Mr RIBEIRO, Mr MIRANDA DA SILVA, Mr BARROS MOURA, Mr GUTIERREZ DIAZ, Mr EPHREMEDIS, Mr PIQUET, Mr DE ROSSA, Mrs ERNST de la GRAETE

on the need to pay attention to and to set aside specific aid for the most backward regions in the Community

The European Parliament,

- A. whereas the Commission's Fourth report on the Social and Economic Situation and development of the regions of the Community confirms that there are still substantial differences between the regions of the Community,
 - B. whereas the report states that in the ten least developed regions - basically located in Greece and Portugal - the average income per inhabitant is currently less than a third of the average in the ten most developed regions,
 - C. whereas the document Europe 2000 stresses a number of dangers and notably the risk that certain areas may become marginalized and that peripheral regions may become increasingly isolated,
 - D. whereas the Community's attempt to remedy the situation in the very remote areas by means of specific programmes should not make us overlook the plight of those regions in Europe that are falling increasingly far behind economically and socially,
1. Considers that particular attention should be paid to the most backward regions of the Community where the EDP per inhabitant is less than 50% of the Community average and which account for more than 3% of the total population and that special aid should be granted to these regions even though they fall within the scope of Objective No. 1;
 2. Calls on the Commission and the Council to formulate a strategy for these regions which, while respecting the principle of subsidiarity, dovetails national policies with a specific Community aid programme.