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Report

drawn up on behalf of the Committee on Regional Policy, Regional Planning
and Transport

on the peripheral coastal regions of the European Community

Rapporteur: Mr John CORRIE

On 2 July 1975, Mr COINTAT, Mr HERBERT, Mr LIOGIER and Mr NYBORG, on behalf of the Group of European Progressive Democrats, tabled a Motion for a Resolution (Doc. 162/75) on the peripheral coastal regions of the European Community.

At its sitting of 11 July 1975, the European Parliament referred this Motion for a Resolution to the Committee on Regional Policy, Regional Planning and Transport.

At its meeting of 15 March 1977, the Committee on Regional Policy, Regional Planning and Transport appointed Mr CORRIE Rapporteur.

It considered the draft report at its meeting of 3 April 1979, when it adopted the Motion for a Resolution and explanatory statement unanimously.

Present: Lord Bruce of Donington, Chairman; Mr Corrie, Rapporteur;
Mr Albers; Mr Brugger; Mrs Ewing; Mr Fuchs; Mr Jung;
Mr Kavanagh; Mr Noe' and Mr Osborn.

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A.

The Committee on Regional Policy, Regional Planning and Transport hereby submit to the European Parliament the following Motion for a Resolution together with explanatory statement:

MOTION FOR A RESOLUTION

on the peripheral coastal regions of the European Community
The European Parliament,

- having regard to the motion for a resolution tabled by Mr COINTAT, Mr HERBERT, Mr LIOGIER and Mr NYBORG (Doc. 162/75);
 - having regard to the Report of the Committee on Regional Policy, Regional Planning and Transport (Doc. 113/79),
1. Recognises that certain of the peripheral maritime regions are amongst the poorest and most disadvantaged areas of the Community by reason of their remoteness, their lack of natural resources or the hostility of their climates, and that these disadvantages are demonstrated by the high level of unemployment, underemployment and migration common to such regions;
 2. Welcomes the awareness of this which is shown by the high proportion of assistance from the European Regional Development Fund which has been made available to them during the first three years of the Fund's existence, and which reflects the priority which the Member States have themselves given to the peripheral maritime regions;
 3. Points out however that despite these efforts, little real progress has been made in finding effective solutions to the problems of such regions, and that the imbalance between them and the more prosperous regions of the Community continues to grow rather than to diminish;
 4. Regrets the fact that there are no specific Community measures or programmes designed to alleviate the peculiar social and economic problems from which they suffer;
 5. Urges the Commission therefore to consider means by which the inhabitants of the peripheral maritime regions should be enabled to develop their resources and improve their quality of life so that they will be able to benefit from opportunities for living and working in the region of their choice that are comparable to those enjoyed by the inhabitants of Europe's most prosperous areas;

6. Points out that the development or regeneration of these regions is not something that can be achieved overnight but which will require long term programmes based on a comprehensive understanding of the totality of the problems which should only be arrived at after close cooperation with the people most concerned;
7. Considering that solutions have been sought all too often in over-reliance on intensive industrialisation which may well be capital rather than labour intensive, and thus of comparatively little benefit to the inhabitants of a region, stresses the advantages likely to result by encouraging the introduction of relatively small scale, but labour intensive, industries which should be as diversified as possible and not dependent upon one basic raw material or on one limited market;
8. Urges that, wherever possible, the maximum use should be made of a region's actual or potential resources in considering ways of developing it, and that the possibility should always be examined of introducing techniques, skills or crops which, while not traditional to a region, are capable of being successfully exploited there;
9. Suggests that where industries, such as those associated with off-shore oil for example, are introduced to a region, and which may only have a short term life, consideration must be given from their introduction to means by which employment of the skills acquired for such an industry remains within the region, in particular by planning for replacement industries;
10. Is aware that such an approach, which will seek organic solutions to structural problems, is liable to be long term and therefore carries with it the risk that a lack of short term solutions such as intensive industrialisation may mean that the decline of a region continues even while attempts to halt this decline are being made;
11. Feels that in order to offset this, one positive step would be the creation of a Community Rural Fund, one of the main aims of which would be to maintain the population in disadvantaged or underdeveloped regions, and in particular the peripheral maritime regions, during the period when programmes are being evolved or have started; if necessary by supporting uneconomic activities and services until such time as they become viable;

12. Recognises, however, that in certain special cases such as national parks or areas of outstanding beauty, it may be necessary to accept that it is necessary to maintain certain activities with national or Community support in order to preserve the way of life of an area, even though those activities may never achieve financial viability;

13. Recalls that under the provisions of Article 80(2) of the EEC Treaty the Commission may "taking account in particular of the requirements of an appropriate regional economic policy, the needs of underdeveloped areas ..." authorise Member States, in respect of transport operations, to introduce elements of support or protection in the interests of one or more particular undertakings or interests, and therefore requests:-

(a) the Member States to introduce appropriate measures to ensure that their peripheral maritime regions and, in particular, island communities are not penalised or placed in an uncompetitive position in developing their industries as a result of excessive transport costs,

(b) the Commission not only to give as favourable an interpretation as possible to the provisions of Articles 80 and 92(3) of the EEC Treaty, but also to carry out a systematic survey, at Community level, of what the real cost of geographical disadvantages is to the peripheral regions. Having done this, the Commission should consider the extent to which harmonised support measures should be employed by the Member States and also the possibility of the Community making a direct financial intervention in aid of the higher transport costs faced by certain peripheral maritime regions;

14. Further requests both the Member States and the Commission to give adequate recognition to the need either to maintain or to develop the social infrastructures of the peripheral maritime regions since without such an adequate infrastructure, their development will be seriously impeded;

15. Suggests that where appropriate, local communities within or across regions should be encouraged to organise themselves into Coastal Regional Development Agencies, such bodies to have an advisory and consultative function and to provide a forum where local interests could express their views independently of local, regional or national authorities;

16. Welcomes the rôle which the Conference of Peripheral Maritime Regions of the European Community has played, and is continuing to play, in bringing together the representatives of such regions so that they may express their problems with a common voice;

17. Calls upon the Commission to use its best endeavours to maintain and improve direct links with the representatives and organizations of the peripheral maritime regions;

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18. Instructs its President to forward this Resolution and the Report of its Committee to the Council, the Commission of the European Communities, the parliaments of the Member States, the Council of Europe and the Conference of Peripheral Maritime Regions of the Community.

B.

EXPLANATORY STATEMENT

I INTRODUCTORY

1. The Committee on Regional Policy, Regional Planning and Transport have followed with close interest the problems of the peripheral regions of the Community - and this inevitably places much emphasis on the coastal regions - since they were first appointed as the Regional Policy and Transport Committee in 1973.

2. Before the Motion for a Resolution which forms the reason for this Report¹ was referred to the Committee, they had already sent delegations on study and fact-finding missions to Sicily and to the Republic of Ireland and Northern Ireland and since then the Committee have sent further delegations to Corsica and Sardinia, to Greenland, and to the Highlands and Islands. In addition to this the Committee have participated in the work of the Conference of Peripheral Maritime Regions of the Community (CPMR), an organization concerning which further information is given in paragraphs 20 and 21 below, notably by sending observers to the Second Plenary Meeting in Inverness in 1977 and to the meeting of the Executive Committee in Naples in 1978. Also in 1978, the Committee invited the Conference to participate in the Public Hearing into accidents to shipping which they organised in Paris in June. Your Rapporteur also participated in a Conference at Kyle of Lochalsh organised by the Fraser of Allander Institute on economic and social opportunities for island and coastal communities to which he contributed a paper.

3. Contacts between the Committee and the CPMR are thus close, and your Rapporteur would like to stress the value of the cooperation and assistance he has had from members and officials of the organization in drawing up the present Report.

4. This Report should be seen in the overall context of the Committee's work in the field of Community Regional Policy. Obviously, since 1973 much of our time has been concentrated on considering various aspects of the European Regional Development Fund - its endowment, its

¹ Doc. No. 162/75

administration, the amendment of the Fund Regulation and the annual reports made by the Commission on the operation of the Fund and so on. But Community Regional Policy, however it may be defined, undoubtedly goes far further than the Regional Development Fund which, it is generally recognised, is, in its present form, little more than a Community system of "back-up" support to existing national regional policies. The Committee have therefore endeavoured in the past six years to identify regional problems within the Community in a wider context than that of the Fund Regulation and to see whether common or Community solutions can be found to some of these problems.

5. As a first step the Committee identified three general problem areas. The cross border regions within the Community, the peripheral maritime or coastal regions of the Community, and lastly the external border regions of the Community. The first of these areas has already been covered in two reports by Mr GERLACH¹; the second forms the subject of the present report, and the third has yet to be drafted. When, however, all three reports have been made, it is hoped that a comprehensive picture of Community regional problems will have emerged, and one which will indicate the need to find Community solutions to these problems in addition to purely national ones.

II. DEFINITION OF THE PROBLEMS OF PERIPHERAL COASTAL REGIONS

6. Whatever definition is chosen of a peripheral maritime region, it is clear from the Commission's third annual report on the Regional Development Fund and from the map contained in that report that during the first three years of the Fund's existence, by far the greatest part of assistance from it has gone to coastal regions of the Community, in fact no less than 76.7% of the total assistance available.

7. This, of course, reflects the extent to which the Member States themselves consider their coastal regions as being ones of priority need but if this is in itself to be welcomed it also reflects the fact that it is in these regions that there are long term structural problems which have to be solved and unfortunately the solution to these problems is frequently complicated by physical factors such as geographical remoteness, separation from the mainland and so on.

¹ Doc. 467/74 and Doc. 355/76

8. Your Rapporteur would be the last to claim that the coastal regions of the Community have in any way a monopoly of its regional problems; indeed, in terms of the number of people involved, it could well be argued that the problems of areas of urban and industrial decline are even more serious, but these urban problems are essentially different in kind and require different solutions to those of the peripheral maritime regions, though as will be demonstrated later in this Report, the problems of peripheral regions are inter-related with those of the central and industrialised regions.

9. For the purpose of this Report, your Rapporteur has chosen to define 'peripheral' not in the precise geographical meaning of the word, but in a way which indicates the disadvantages from which the coastal regions of the Community may suffer as a result of their remoteness not necessarily from the centre itself, but from centres where facilities which are lacking in the regions concerned are provided. He also uses 'region' as a comprehensive word for geographical areas which may be very much smaller than the normal concept of a region such as 'the West of Ireland' or 'the Mezzogiorno' and which could sometimes be as small as a community. Considered in this way, the main problems of disadvantaged peripheral maritime regions may be considered under the following headings:-

- (a) Transport. This includes not only the problem of extra costs involved in goods and passenger transport from the region to a developed central point, but also the problem of inadequate transport within the region itself and the particular problem of extra cost in time and money which is posed for island communities.
- (b) Inadequate Social Infrastructure. This is a question which is related to transport problems but it goes further and covers such matters as the adequacy, or even the existence of schools, hospitals, entertainment and similar facilities within a region. In this field it is quite possible for a particular region or community to be peripheral in some respects but not in others; that is to say, it may have adequate lower education facilities, but be deficient in higher education. Equally, the closing of a particular facility, whether a school or a hospital, may cause a region which was not so hitherto to become peripheral at least in respect of that facility.

(c) Lack of Employment Capacity. Under this heading is grouped a wide range of problems, notably lack of natural resources, whether agricultural or industrial, lack of industrial employment, too great a dependence on one sort of livelihood, etc., including the comparative unattractiveness of available employment when compared with different and probably better paid employment outside the region.

(d) Geographical Disadvantages. This heading includes in itself, as results, the three previous headings, but it also covers such matters as climatic conditions which can, when they are extreme, impose precise limits on the extent to which a region is capable of development and also on the type of development which can take place.

10. These four main headings have been deliberately defined in a very general manner because given the physical extent of the present Community' extending from Greenland to Sicily there is a virtually infinite range and combination of disadvantages which can affect its peripheral maritime regions; it seems, therefore, more useful to refer simply to extreme climatic conditions rather than to list the various extremes - insufficient precipitation, too much rainfall, too hot a climate and so on which affect particular regions.

11. What is clear is that given a combination of the various types of disadvantage referred to above, a particular region will become sufficiently unattractive to live in, or the attractions of other more favoured areas will become so apparent that the region concerned will be characterised by an increasing rate of emigration, which will in many cases promote a process of closing existing social facilities, which in turn will further increase the rate of emigration and virtually rule out the possibility of promoting immigration until, in extreme cases, (notably in island communities), the region concerned becomes either virtually or completely depopulated. This is a problem which has particularly affected the islands of Scotland.

12. Obviously this last case is the extreme; what generally happens is less dramatic, though equally undesirable: the ambitious and able young tend to leave their community or region, thereby depriving it of precisely the sort of people it needs, and the gap in prosperity between the

peripheral region and the more prosperous centre widens. To a certain extent, of course, the problem of migration has been concealed in the recession of the last five years, when the developed urban centres have not been able to provide employment opportunities, and in some cases the phenomenon of 'reverse migration' has become noticeable where people return to peripheral communities which may, because of changes in, for example, agricultural practice, no longer be able to provide them with even that type of employment which they had previously abandoned or had found unattractive.

13. Your Rapporteur does not believe that it would be practicable to comply literally with the request contained in paragraph 3 of the Motion for a Resolution, namely "to carry out a detailed study of the specific problems of these (the peripheral coastal) regions and to draw up a report with a view to submitting proposals for their development". Through their delegations, the Committee on Regional Policy, Regional Planning and Transport have gathered a great deal of first hand information of the specific problems of some of the peripheral coastal regions, ranging from the high cost of energy in Greenland, the overdependence on one type of industry (petro-chemicals in Sardinia), inadequate transport infrastructure in the Gaeltacht area of Ireland, physical isolation in the Shetlands, to lack of water and soil erosion in Sicily. Despite the number of fact-finding missions, the Committee have only been able to gain first-hand experience of a limited number of peripheral coastal regions, but even from this restricted experience it would be possible to draw up a dauntingly long list of specific problems. In many cases, indeed, the problems are so specific that it would be beyond the technical competence of this Committee to offer specific proposals for their solution, since this would require a technical expertise which the Committee cannot, by their nature, possess.

14. From what members of the Committee have seen and heard, however, it is perfectly possible to arrive at a synthesis of the generality of the problems which affect the peripheral maritime regions. It is also perfectly possible by comparing the relevant statistics concerning population and population changes and per capita income to arrive at some rough estimate as to the relative prosperity, or lack of prosperity, as between the peripheral coastal regions themselves and as between them and the more prosperous and developed regions. Your Rapporteur would emphasise, however, as his predecessors have done, that as far as regional

policy is concerned the Community is not yet equipped with an adequate common statistical basis and language which will make it possible to arrive at precise analyses of the problems or of the success which measures taken to resolve them have achieved. For example an assessment, at Community level, of the impact that assistance from the ERDF has had on the regions is clearly a prerequisite in determining future assistance and criteria of eligibility.

15. On the basis of the two main considerations set out in the preceding paragraph and accepting that the easiest way to define a priority problem peripheral maritime region is to identify it as an area which has been suffering for a prolonged period by a marked decline in population¹, your Rapporteur believes it is possible to identify a reasonable goal to be achieved in such regions and also to identify ways and means by which Community effort and assistance can be used, not only in support of national assistance, but in addition to it. The next section of this Report will therefore offer an identification of the goal to be achieved and suggest ways and means of doing so.

III THE AIMS AND POSSIBLE SOLUTIONS

The Aims

16. When the Treaty of Rome was drafted, the only significant reference to Community Regional Policy was contained in the preamble, where it was stated that a specific aim of the Community was the strengthening of "the unity of their (the Member States') economies and of ensuring their harmonious development by reducing the differences existing between the various regions and the backwardness of the less-favoured regions". By and large it is true to say that at least as far as the Council of Ministers, and also various Summits and the now formalised European Council are concerned, and also to a large extent the Commission, European Community Regional Policy has been envisaged very much in the context of economic and monetary union, that is to say it has been related to a specific economic goal and its fortunes at the level of Council of Ministers and European Council have fluctuated according to the extent to which the attainability of certain economic goals was considered desirable or possible.

¹ This is, however, by no means an exclusive definition. In certain problem regions - notably Greenland - the population has actually increased and is increasing while in other areas the population may have remained fairly constant. Greenland is, however, a very special example, and by and large your Rapporteur believes with most, including the Commission, that prolonged net outward migration is one of the best 'early warning' signs that something is wrong with a region.

17. This is a point which deserves emphasis for two reasons. Firstly, the Community of the Six at the time the Treaty was drafted was a far more land-based and orientated Community than the enlarged Community which greatly strengthened the peripheral coastal element in it, an element which will, of course, be further strengthened and emphasised with the accession of Greece, Spain and Portugal. While it was possible to envisage in the economic circumstances prior to 1973 that the industrial wealth of the Community of the Six (and indeed of the Nine) could be used to reduce the imbalances as between the richest and poorest regions - which in 1973 stood at about 3 to 1 - in a significant manner towards economic and monetary union, experience between 1975 when the Regional Fund was started and now has shown that with its limited financial endowment its redistribution effect has been hopelessly inadequate in making any positive reduction in these imbalances which now stand at over 5:1, and which with the accession of Spain would rise to about 12:1, and of Portugal to about 15:1.

The second point to stress is that since it was set up in 1975 the European Regional Development Fund has inevitably developed something of a life of its own, or rather its existence has prompted demands not only from members of this Committee and of the European Parliament, but also from the representatives and the people of the regions for a more comprehensive and genuinely European Regional Policy than the Fund itself has ever been claimed to be.

18. This is not the place to consider again the history of the progress and the set-backs there have been in the last five or six years concerning the very real efforts the Commission have made, often at the urging of this Committee and the European Parliament. The point that your Rapporteur wishes to emphasise is that, however desirable an aim it may be in itself, there is very much more to Community Regional Policy than the achievement of economic and monetary union.

19. Possibly a more accurate way of stating this would be to write "very much less", since a reduction of regional imbalances, through the Regional Development Fund, to a level which would make economic union a possibility would require infinitely more resources than are likely to be made available in the foreseeable future. European Regional Policy may legitimately be seen as one of the instruments of economic and monetary union, but your Rapporteur is convinced that though making a contribution to this economic end, it also has an end in itself, and that end is the

promotion of the well-being and the quality of life of the people of the regions of Europe.

20. A definition of this aim which your Rapporteur finds very convincing was arrived at at the Second Plenary Conference of Peripheral Maritime Regions held in Inverness in May 1977, when the Final Resolution stated that the purpose of the Conference's Programme of Action and Study was "to help the member and associate regions to develop their resources and to improve their quality of life so that their inhabitants will benefit from opportunities for living and working in the region of their choice that are comparable to those enjoyed by the inhabitants of Europe's most prosperous areas".

21. It is particularly appropriate to quote this definition worked out by an organization of peripheral maritime regions, in a Report dealing with the problems of such regions, but your Rapporteur considers it so useful a statement of a more modest if more humane goal for European Regional Policy that it could well apply to all the less advantaged regions of Europe, not solely to those on the maritime periphery.

22. Insofar as this definition or goal applies strictly to this Report your Rapporteur would qualify or explain it by stating that within a peripheral coastal region no-one should be forced out of that region either because of lack of adequate job availability or because of grossly inadequate social infrastructures. The word 'comparable' quoted in paragraph 20 above does however require a little more definition, since clearly in certain respects - climate, for example, - the situation as between certain regions cannot be approximated, nor can a basically rural region which wishes to preserve its specific character ever hope or even desire to become close to Hamburg, Paris or London.

23. 'Comparable' should be taken to mean comparable within not only the limitations but also the advantages which a peripheral maritime region has in comparison with the most prosperous areas of Europe. This, however, takes us at once out of the area of statistics and into the field of subjective values and terms such as 'quality of life' which can hardly be quantified.

24. To take a hypothetical but obvious example, it is perfectly possible to envisage two small-holders who enjoy an annual income which is precisely the same, but the amount of work required and the certainty of achieving

a reasonable living will vary very widely depending on the geographical location of the small-holders; if one is located in Western Ireland and the other in Catania, virtually all that they will have in common will be their incomes and the temptation for the one who leads the harder life to abandon his small-holding and seek employment elsewhere will be far greater. It is therefore hard to use per capita income as a subjective statistic which will of itself serve to provide a guideline in the task of reducing regional imbalances.

25. It is, however, impossible to evaluate those values and advantages which keep people in a community or region despite the problems they experience there, and despite the attractions more prosperous central areas may appear to offer; such things as the wish to remain in the area to which one belongs and where one has one's roots, or a dislike of urban conditions or of a faster pace of life. In your Rapporteur's opinion, a considerable amount of sociological research is necessary, preferably on a Community-wide scale, not only into the reasons, other than the obvious ones such as unemployment or low pay, why people leave areas but also into what are the factors that keep them in regions; such work will provide a valuable and necessary adjunct to the more straightforward statistical approach which itself, as has been pointed out in paragraph 14 above, is still capable of considerable improvement.

26. The result of having successfully achieved the aim described in paragraph 20 above would be a region which was characterised by a very large degree of self-sufficiency, not only in its employment potential but also in its social infrastructure. The extent of this self-sufficiency would of course vary on the definition given to a region in terms of size and also on its physical characteristics and the size of its population, but it would be accompanied by a stable or growing population, and this would also be a marked feature within the communities of the region itself.

27. If it is accepted that this is a desirable goal, the next question is how best it can be achieved within the context of the European Community.

Means Towards Possible Solutions

28. The first problem is a purely national one, and it consists of defining the geographical area of the peripheral maritime region where the desired goal is hoped to be achieved. The size of such regions, which would not necessarily be administrative units, could vary greatly according to circumstances. Such a task would involve deciding on the amount of hinterland which should be included in the defined 'coastal region', and it would also involve in strict collaboration with local authorities and interests a careful and profound evaluation of not only the disadvantages, but also of the advantages, actual and potential, of the area under consideration. It is only after this assessment had taken place that any firm decision should be taken concerning the geographical limits of the region.

29. Following this a coastal regional development agency (CRDA) could need to be set up. Such agencies, the composition of which would as far as possible be of members living and working in the region, would have a legal personality and would be charged with representing the interests of the region (which might well not coincide geographically with other regional authorities) both at local and national level. They would also be empowered to associate among themselves at both national and Community levels, and to associate with bodies such as the CPMR in order that they could constitute a body capable of presenting its own views directly to the European Parliament, the Commission or any institution of the Community.

30. The precise extent of the powers of such bodies is to be worked out but a model might well be that cross-border organizations elaborated in Mr GERLACH's final Report.¹ But the most significant role of CRDAs would be to stimulate activity at regional level and to provide a forum where the views of the inhabitants of a region could be discussed among themselves; the problems of a region analysed and solutions to them advanced. Subsequently, the CRDA should be able to express its views not only to the institutions mentioned in the preceding paragraph, but also to regional and national authorities.

¹ Doc. 355/76

31. Your Rapporteur will return in more detail to the concept of CRDAs in paras 42 and 57 below, but since they are not envisaged as being organizations with any significant financial intervention capacity of their own, it is necessary to examine the means by which the Community can best assist the peripheral maritime regions with particular reference to the broad categories of problem set out in paragraph 9 above.

32. Transport

Although within the more central regions of the Community transport costs may not be a decisive factor in influencing decisions concerning the location of industry, there is no doubt that within a customs union such as the Community and with a system of monetary union such as it is hoped will emerge in the Community, the actual costs of transport become more significant. This has been fully demonstrated in Mr MURSCH's 1974 Report on the principles of the Common Transport Policy¹, in particular in Chapter I of the Explanatory Statement - "as customs and monetary barriers are removed, so the obstacles to transport now hidden behind them will become increasingly apparent"².

33. For the peripheral maritime regions - and in particular for island communities - the cost of transport may become of paramount importance, since it may well serve to tip the balance unfavourably in a decision on the location of a new industry, or operate to the detriment of the profitability of existing industries. Another important factor to be taken into account is the effect of high transport costs on the lives of the inhabitants of peripheral maritime regions. It might be useful to illustrate these points by taking one example, the Shetland Islands.

34. The Shetlands are an archipelago of 150 islands, of which 16 are inhabited, and there are therefore problems of internal communication to be considered in addition to the fact that the nearest important mainland port, Aberdeen, is 200 miles (320 km) distant from Shetland.

Internal communications are provided by bridges and roads, by sea and by air. Major road improvements have been, and are, necessary

¹ Doc. 215/74

² Ibid p. 99, para. 18

and the Shetland Islands Council is hoping for some assistance from the Community in respect of these. For the five main ferry routes, a roll-on-roll-off (ro-ro) system has been in use since 1973; this system has received Community financial assistance. The smaller and more distant islands are served by conventional boats. Currently, taking into account the Council's subsidy, the ro-ro ferry system is operating at an annual deficit of approximately £250,000 per annum.

As far as external communications are concerned, the alternatives are air and sea. In January 1979, the return full fare price to Aberdeen was £61.40, an increase of 132% on the fare in 1975. Thus the cost of a normal return fare air journey from Shetland to Aberdeen for a family of two adults and two children would amount to £214.20. For a similar family travelling by sea, the cost would be £163.80. These figures are quoted because they illustrate the extra financial burden which insularity places on the inhabitants of the Shetlands; the situation was summarised in a paper submitted to the Committee's delegation which visited the Shetlands as follows: "From these figures it can be seen that the cost of a return journey to the Scottish mainland could double the cost of a holiday for a Shetland family compared with their mainland counterpart".

As far as freight is concerned, the Shetland Islands Council have provided examples of percentage increases in price attributable to freight as between Aberdeen and the Shetlands, ranging from 13% to 23% for Standard Feeding Blocks and Compound Fertiliser. The effect of freight costs on consumer prices is reflected in the fact that Lerwick in the Shetlands is estimated as being at least 5-6% more expensive than Aberdeen on the mainland. Equally, the cost of transport within the archipelago means that the cost of certain foodstuffs can be as much as 20% greater in the remotest islands such as Fair Isle than it is in Lerwick.

The Shetlands are of course only one example, and a rather particular one, since there are 16 separate islands to be considered, and as suggested in paragraph 38 below, an attempt should be made to set out the additional costs incurred by transport in all the peripheral maritime regions of the Community. If it varies in its severity, however, the cost of transport is a general problem for such regions and your Rapporteur believes that both national and Community measures must be taken to alleviate it.

35. At a national level, one solution of particular importance for islands and which has been urged by the Convention of Scottish Local Authorities, would be the introduction of a subsidy by means of adopting a Road Equivalent Tariff (RET) of charging; such charges would be calculated by a formula incorporating vehicle length, journey length, vehicle operating costs and so on. This system would, however, require financial assistance from national governments and/or the Community. It should be noted that in the case of Sardinia, under Presidential Decree 1523/1967, railway tariffs are applied to sea transport for a distance of 100 kms.

36. Whatever the attitude of individual national governments to this or other types of subsidy to offset extra transport costs, particularly for islands, it seems clear to your Rapporteur that within a Community based largely on principles of fair competition, both within and between various sectors, transport subsidies are in no way incompatible with regarding the coastal regions and islands of the Community as being, for the most part, by definition, in an uncompetitive situation vis-à-vis the other regions, and therefore eligible to receive special assistance, either from the Member States or the Community as a whole, to overcome this handicap. Indeed this is implicit in the EEC Treaty. Article 92(3) states "The following may be considered to be compatible with the common market:

- (a) aid to promote the economic development of areas where the standard of living is abnormally low or where there is serious under-employment".

Clearly this would extend to many island and coastal areas. As far as the Transport provisions of the Treaty are concerned, while Article 80(1) of the Treaty prohibits any element of support or protection in the interest of one or more particular undertakings or industries unless authorised by the Commission, paragraph 2 of that Article authorises the Commission to take account "in particular of the requirements of an appropriate regional economic policy, the needs of underdeveloped areas and the problems of areas seriously affected by political circumstances".

37. There is then nothing in the Treaty to forbid Member States subsidising transport undertakings in a disadvantaged region to reduce the cost of transport to a level comparable with that of more central regions. The Commission's recent initiatives concerning the creation of a Committee to study transport infrastructure projects of Community interest and for providing financial assistance for such projects should also be of benefit to the peripheral maritime regions of the Community.

38. Consideration should be given to carrying out a systematic survey at Community level to identify what the real cost of geographical disadvantages is to the peripheral regions¹. Obviously, this would involve the application of objective criteria which could be used for differing Member States and differing circumstances. Parallel with an investigation into the disadvantages, an enquiry should also be carried out into the different methods currently used by the Member States to offset these disadvantages. The question would then arise as to the degree to which the Community might make a direct financial intervention, or alternatively, the extent to which the Community might seek to impose common intervention measures to be applied by the Member States themselves.

39. Some form of transport subsidy to offset the cost of distance and/or insularity should not be seen solely in the light of the industrial development of a region; since it should apply to passenger as well as freight transport it would have benefits for the inhabitants of a region, for its tourism and for the effective exploitation of its existing resources.

40. Inadequate social infrastructure

The Community has an important role to play in assisting national efforts to provide the peripheral maritime regions with a social infrastructure which is adequate to the needs of particular regions, whether to maintain an existing population, to stimulate new industrial development or to develop potential resources such as tourism.

The decision of the Commission to accept the European Parliament's frequently expressed wish by widening the definition of infrastructure projects eligible for assistance from the Regional Development Fund is very much to be welcomed. Under the present Fund Regulation, Article 4(6) limits such projects to those directly linked to industrial, handicraft or service activities. The definition in the new Fund Regulation is far more comprehensive, since assistance from the Fund will

¹ See for example the paper presented by Mr G R Marwick, Convenor Orkney Islands' Council, to the Second Plenary Conference of the Conference of the Peripheral Maritime Regions of the EEC. "Transport Problems of the Peripheral Island Groups with particular reference to the Orkney Islands".

be available to "infrastructures which contribute to the development of the region or area in which they are situated . . ." (provided that this is justified by the regional development programmes which Member States have had to submit since 1 January 1978).

This wider definition should make it easier for resources from the Fund to be deployed in the 'overall' way described in paragraph 8 of the Motion for a Resolution in Mr DELMOTTE's Report on aspects of the Community's regional policy to be developed in the future¹, and also to be deployed in the more 'human' way described in paragraph 14 of the Resolution:

"Believes that the primarily economic approach of the Commission and Council should be amplified to embody a more wide-ranging concept of development that takes due account of the human aspect, and once again stresses the need for the Fund, proceeding in close cooperation with the other Community instruments, to provide aid for social, educational and vocational training infrastructures, which represent a heavy burden for some Member States given their high cost and the absence of any immediate profit".

41. Your Rapporteur wholeheartedly endorses this view, and he welcomes the extent to which the Commission is seeking to adopt a more overall or global approach to the problems of the regions and also the efforts that are being made to coordinate the various Community instruments, so that they complement each other in their effects and do not, as has sometimes inadvertently been the case in the past, operate in a contradictory way which may well have adverse effects in particular on the poorer regions.

42. The basic importance of adequate social infrastructures to the economic and social health of the regions is illustrated by their importance not only in the under-developed or peripheral regions, but also in urban concentrations where their inadequacy can help to provoke the situation of urban decline which members of the Committee on Regional Policy, Regional Planning and Transport have been able to see for themselves in cities such

¹ Doc. 35/77

as Glasgow and Liverpool. But, as Mr DELMOTTE's Motion for a Resolution quoted above spells out, it is only possible to arrive at adequate social infrastructures for a particular region or area by looking at the totality of its problems. Regional Development Programmes must be as comprehensive as possible and should be the result of a complete understanding of the problems of the region itself. It is for this reason that your Rapporteur has recommended the creation, where they do not already exist, of advisory bodies or Coastal Region Development Agencies, which would have first-hand knowledge and experience of the particular types of problems for peripheral maritime regions.

43. Lack of Employment Capacity

Naturally the provision of adequate social infrastructures and reasonable communications will only solve part of the problems of the peripheral maritime regions, and the question of adequate employment opportunities and adequate remuneration is equally important. Indeed, it is impossible to consider the problems of social and transport infrastructure in isolation from those of employment and vice versa. The by now overused expression 'cathedrals in the desert' well describes those large-scale industrial projects which have been set up in areas which do not have the necessary social infrastructures to support them and which have not made an effective contribution towards the betterment of the region in which they are situated.

44. Until recently, it is fair to state, as a generalisation, that industrialisation has been seen as one of the main solutions to the problems of disadvantaged or underdeveloped regions, including of course the peripheral maritime regions. But, as pointed out above, it is clear that industrialisation taken in isolation from the generality of the problems of a particular region is unlikely, by itself, to provide effective answers.

Much of modern industry is capital rather than labour intensive, and it may well require skills which are not, for the time being, to be found in an undeveloped region; thus it will employ comparatively few people and of those employed, a substantial percentage may well come from outside the region. In addition, such industries may have damaging effects on the environment - a factor which may in fact lead to their location in remote areas. As a consequence, a remote region may find

itself provided with a particular industry in which large sums of money have been invested but which, after its initial phase of construction, provides only limited local employment, and thus does little to stimulate the local economy, and which may moreover damage the tourist or recreational potential of the area.

Another problem is the risk of industrial development on too narrow a base. A delegation of the Committee saw an example of this in Ottana in Sardinia, where a large artificial fibre factory has been constructed. It seemed to the delegation that this was in many ways an admirable scheme, since it was located in a remote area of Sardinia (which though central might well be described as peripheral by reason of its isolation) and was intended to draw labour from a number of nearby small communities on a daily basis, thus preserving the social life of these communities, and your Rapporteur would stress the value of such types of industrial development which provide employment but which do not provoke migration from villages or small towns. Unfortunately, at the time of the delegation's visit, the crisis in the artificial fibre industry was putting the future of the factory at risk, and with it some 2,000 jobs. Fortunately, the risk of closure has been averted, but this example illustrates the potential danger of industrial investment and development on too narrow a front. It would surely be preferable to have a number of smaller but diversified industries which could operate in the same way in providing employment, but which would be less liable to disruption from vagaries in the market or in the cost of raw materials.

45. For the more remote and underdeveloped regions, if 'small is beautiful' another slogan which might be coined is 'diversification is desirable'. Both these approaches - which are in fact complementary - are well-adapted to the needs of developing regions. The Rapporteur has already suggested that a main preliminary task is to identify the potential of a region and from this it is logical to see what types of industry and employment could be developed organically within a region as opposed to being introduced into it¹. Here the Coastal Regional Development Agencies outlined outlined in paragraphs 29 to 31 above would have an important role to play.

¹ That is not to say that it may not be necessary to introduce new types of activity into a region - microelectronics for example in the Shetland Islands - but that any such activity should be based as far as possible upon existing capabilities and resources.

46. Developing or rehabilitating a region, particularly those remote from the centre, must normally be considered a long-term business rather than something which can be achieved overnight, and this is why, in the Rapporteur's opinion, it is better to proceed slowly, firstly reducing and then eliminating migration from a region, and only then turning to more ambitious projects which may attract labour from outside. To illustrate this by an example, one may consider forestry as an industry. Afforestation is obviously a valuable potential element in the economy of many peripheral maritime regions, but its full benefit to a region will only be experienced if the maximum amount of subsequent commercial exploitation of the timber can be carried out within the region afforested; however, the really significant effect on employment may not be felt until a considerable number of years after a forestry programme has begun. Simply because a project does not involve a sudden and dramatic increase in employment opportunities is no reason not to embark on it in addition to other types of investment, which in a comprehensive, long-term scheme for the overall development of a region may in some cases be deliberately designed to have a fairly short life, and which could then be replaced by other industry.

47. An illustration of projects affording only short-term employment is afforded by the visit during the course of the Committee's recent delegation to the Shetlands and Scotland to McDermott's oil rig construction yard at Ardesier near Inverness where a skilled work force of about 2,000 has been recruited locally and trained at the yard - mostly in welding skills. This yard has an estimated working life of twenty years, of which five have already gone; as pointed out in the Report of the Delegation's visit to Scotland (PE 57.316) the delegation did not hear any evidence of long-term plans to make use of these skills when they are no longer required at McDermotts; at a future date, the region is going to have a large number of specialised workers looking for new employment, and unless this is introduced into the area they will be obliged to look for work elsewhere. This is a clear case where the need for long-term planned diversification is necessary if the full benefit of these skills is to be made available to the area and its inhabitants.

48. If in this section the Rapporteur has emphasised the need to be prepared to make haste slowly, it is because he believes that by and large

the problems of creating employment or adapting from one type of traditional employment to a diversified number of new employments is more complex and subtle in the peripheral maritime regions than it is in the developed central regions; this is particularly true if one of the aims (and it is surely a desirable one) is to maintain as far as possible the particular attributes and qualities that distinguish a region.

49. Geographical Disadvantages

As stated in paragraph 9(d) above, this heading covers many points which have already been considered in the three preceding sections, but clearly in the more extreme cases geographical climatic disadvantages will either limit the development of a region or will imply a development away from the traditional way of life of the area.

The extreme example of this is of course Greenland, at the time of writing by far the most peripheral of the Community's maritime regions, and the Rapporteur would like to take this opportunity of drawing attention to the outstandingly interesting report by Mr NYBORG of the Committee's delegation to Greenland in September 1978 (PE 55.797). As this report makes clear, until about 25 years ago, as a matter of policy, the traditional way of life in Greenland was left virtually intact. In 1953, however, a massive and costly modernisation or 'Danification' of Greenland was started. Among the consequences of this programme was a considerable increase in the population (largely the result of the eradication of tuberculosis) which doubled in the 20 year period from 1951. While undoubtedly the intentions were of the best, and while the money Greenland has received both from Denmark and the EEC¹ has been, and continues to be, very considerable, the delegation found many severe sociological problems in Greenland, which were due in part to a population increase which could not be supported by adequate employment; thus leading to chronic under-employment. At the same time a traditional hardy, self-reliant hunting economy had been changed over a very limited period of time into a modern society with excellent health and educational facilities, but a society almost entirely dependent on external assistance, and one in which the traditional internal resources had been abandoned or forgotten.

¹ For the three year period 1975-1977 Greenland received 265.45 u.a. per head of population, roughly five times as much as the next biggest recipient region, Sardinia, with 54.02 u.a. per head. Currently, Denmark is subsidising Greenland to about 24,000 Danish krone per inhabitant.

Clearly among the reasons for this highly artificial situation in Greenland are not only such factors as its lack of natural resources, but the extremely severe climatic conditions which, without external intervention, limited development to a small highly specialised (and, as such, highly successful) society. Inevitably this society could not survive the sort of swift and intensive modernisation or development to which it was subjected from external assistance.

50. Your Rapporteur chooses this example from the 'casebooks' of the Committee on Regional Policy, Regional Planning and Transport because though Greenland is admittedly the extreme case, it does raise a number of problems, including moral problems, which are likely to arise to a greater or lesser extent in other peripheral regions¹.

51. The extent to which the development of a region will change its nature is, of course, directly related to the extent to which the development is radical, involving totally new techniques or industries, or evolutionary, proceeding from traditional resources. Regions severely limited by climatic circumstances are likely to have reached the maximum development of their traditional sources of employment and any further development is likely to require radically new techniques and consequential radical changes in the social organization of the region.

52. It is not so much a matter of whether or not such radical changes are desirable as one of people, and in particular people on the spot being fully aware of the possible or probable medium and long-term changes which development or re-development may bring about, and the new requirements these changes may provoke.

53. Once again, the point your Rapporteur is seeking to emphasise in this section is the need for looking at the problems of the peripheral maritime regions not only in the short-term, but farther ahead, and as comprehensively as possible.

¹ The Shetland Islands are one example of a region where current prosperity as a result of North Sea Oil may well create more problems than it will solve, since the high level of employment created is only temporary and has disrupted traditional patterns of employment. It would be possible to foresee a modified Greenland situation in the Shetlands where, unless consideration is given to the problem now, there would be no lack of money but serious underemployment.

IV. CONCLUSIONS

54. In drafting this Report, the Rapporteur has tried to approach the problems of the peripheral maritime regions in as abstract or even philosophical a way as he believes compatible with the realities of the situation. This approach has been adopted for the reasons set out in paragraph 13 above; but if in the search for arriving at a 'generality' of possible solutions it has been necessary to consider the generality of the problems, wherever possible these have been illustrated or highlighted by reference to specific cases drawn from the experience of delegations of the Committee during the course of the last six years.

55. If there has been one theme which has emerged clearly from all these delegations, it has been the importance of an effective and real contribution to resolving the problems of the regions being made at the grass root levels of the regions themselves. Time and again, members of our delegations have heard complaints against central authority - not only central government, but sometimes against the local central authority within the region. On the other hand, time and again members have seen for themselves examples of what can be done when local initiative is encouraged and where local inhabitants are enabled to find their own solutions to their own problems¹.

56. This, of course, does not mean that the peripheral maritime regions can or should be expected to solve their problems without outside assistance, whether at national or Community level. On the contrary, such assistance is clearly necessary, since it is often the lack of necessary local means that is the main obstacle to the development or maintenance of a peripheral region - in many cases indeed the national means are not available. The Rapporteur suggests, however, that assistance to the peripheral maritime regions is motivated by the regions concerned rather than being imposed on them from outside and without proper consultations.

¹ This point is forcibly illustrated by Mr Hill's Reports on the delegation to Sicily in 1973, and the delegation to the Republic of Ireland and Northern Ireland in 1974

57. This means that at the first stage there is an obligation for the central authority within the Member State to act only after, and in, close consultation with the area concerned, even if that area is only part of a region, since it is clear that in some cases a 'region' as defined by the legislation of a state may be too large or cumbersome to reflect accurately the problems of specific areas within it, possibly because the region is imbalanced by having one large, concentrated industrialised area where political power and authority is centred which only forms a small part of the total area, which may consist of remote, poor agricultural communities and poor communications. It is for these reasons that your Rapporteur has recommended the creation of Coastal Regional Development agencies, which would be independent of local and regional authorities, though working in close cooperation with them.

58. It is only after the problems of a region have been evaluated, in close consultation with the representatives of the region themselves that an idea of what solutions, what type of development, should emerge and it is at that stage that it should be possible to see what types of assistance will be required.

59. Your Rapporteur has already drawn attention to the need to offset the natural disadvantages which the peripheral maritime regions are likely to suffer as a result of their physical remoteness and he has suggested (see paragraphs 35 to 39 above) that the Member States should accept the need to give transport subsidies to remote maritime or island regions or communities in order to offset this disadvantage and enable trade and/or tourism to be developed.

60. A further point which must be borne in mind is that in some cases it may be impossible, or undesirable, to develop certain regions - national parks for example. In such cases, your Rapporteur recommends that both national governments and the Community should be prepared to take special measures to support traditional or specialised occupations even though they may not in themselves be financially remunerative.

61. A development of this suggestion might well be the creation of a Community Rural Fund, which could either be specially endowed or, alternatively,

could be financed by contributions from the Social and Regional Funds. The purpose of such a Rural Fund would be to ensure the well-being of those regions - and these would, of course, include many of the peripheral maritime regions - which are not likely to benefit from the more traditional types of assistance. The principal criteria on which assistance from such a Fund would be available would be less concerned with job creation and maintenance, though obviously this would be an important element, than with the need to maintain the level of population within a region. In order to do this, it may not only be necessary, as indicated in paragraph 60 above, to be prepared to subsidise uneconomic activities, but also to subsidise services and social infrastructures such as schools, hospitals, railways or post offices, which would otherwise be closed down. It is, in the Rapporteur's opinion, essential to maintain such services, however uneconomic in the short term, with a view to the long term regeneration of a region, since once they are removed, not only is the effect likely to be disastrous in accelerating migration from a region, but the cost of re-installing them may be unacceptably high.

62. In order to assess the success or otherwise of Community assistance to the regions (and not only the peripheral maritime regions), the Commission should embark on a continuing programme of evaluating the effects of such assistance on the regions, and in particular the effect they have had on maintaining the population level. Without such assessment, it will be difficult to determine for the future what forms of development are likely to prove most beneficial to particular regions.

63. Finally, your Rapporteur would stress once again the need for the peripheral maritime regions of the Community to cooperate with each other, not only at a national or cross-border level as he proposes could be done where appropriate through Coastal Regional Development Agencies, but also internationally within the Community. This many of them already do effectively through the Conference of Peripheral Maritime Regions of the Community, which he believes should continue to be the main body representing their interests, and he would hope that the contacts that it already has with the Commission will be maintained and improved and that, following direct elections, its relationship with the European Parliament will also be strengthened, for it is at this democratic level that there is best hope for the claims and aspirations of these regions of the Community which have often been too long neglected to receive recognition and assistance.

MOTION FOR A RESOLUTION (Doc. 162/75)

tabled by Mr COINTAT, Mr HERBERT, Mr LIOGIER and Mr NYBORG
on behalf of the Group of European Progressive Democrats

pursuant to Rule 25 of the Rules of Procedure

on the peripheral coastal regions of the European Community

THE EUROPEAN PARLIAMENT,

- Having regard to the economic backwardness of the peripheral coastal regions of the European Community,
 - Considering that the backwardness of these regions is due either to their remoteness from large consumer centres or to the fact that they are undeveloped,
 - Recalling that the Preamble to the Treaty of Rome states that its objective is to reduce the differences existing between the regions and to improve the living and working conditions of their inhabitants,
 - Conscious of the growing disequilibrium between the peripheral regions and the central industrial regions of the Community,
 - Conscious of the fact that the regional policy of the European Community is not successfully resolving the serious problems of the peripheral coastal regions,
 - Wishing to assist these regions in their efforts to modernise their traditional industries and introduce new ones,
1. Deplores the lack of realistic Community action towards solving the economic and social problems of the peripheral coastal regions of the Community,
 2. Appeals to the Commission and the Council of the European Communities and the Governments of the Member States to give priority to the development of these backward regions,
 3. Requests its relevant committees to carry out a detailed study of the specific problems of these regions and to draw up a report with a view to submitting proposals for their development,
 4. Instructs its President to forward this Resolution to the Council and Commission of the European Communities and to the Governments of the Member States.