


WORKING FOR THE REGIONS




Europe
on the move



Jean Guynou

One of the objectives: the conversion of areas affected by industrial decline where unemployment is very high.

The richest region in the European Community is six times richer than the poorest region. When Spain and Portugal joined the Community in 1986, the number of people living in regions where the per capita income is less than 75% of the Community average doubled.

Despite major efforts by the Member States and the Community, the gulfs dividing the regions have not yet been satisfactorily bridged. The creation of a single market encompassing the 12 Member States has magnified the challenge. It would be quite unacceptable to countenance the existence, side by side in a single market, of regions with such unequal resources. In a Europe with no internal frontiers, men and money will settle where the environment is most favourable. It is a race which the strongest regions will be best equipped to win.

The Community has therefore adopted a better endowed policy to strengthen economic and social cohesion and reduce regional disparities.

'A more effective regional development assistance is a tool of both Community and national policy'.

*Bruce Millan,
Member of the Euro-
pean Commission —
Regional policy*

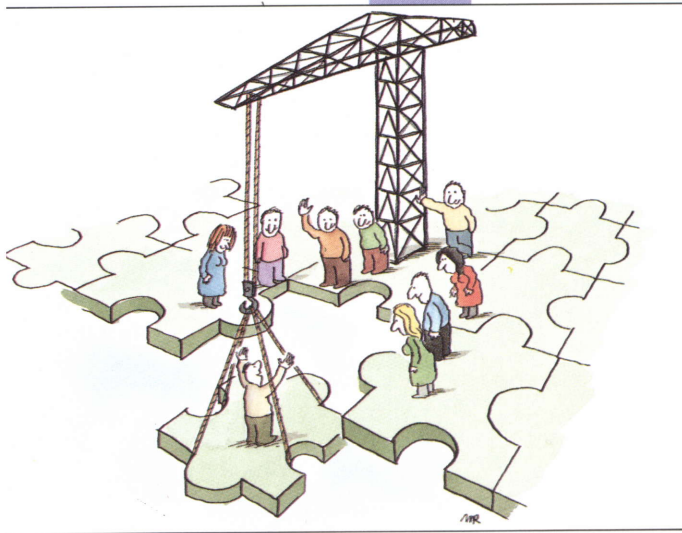
WHY?

With the adoption of the Single Act in 1986, Community policy in general and structural policy in particular underwent a considerable change. The Single Act places special emphasis on the completion of the single market with no internal frontiers by 1992, and its necessary corollary, which is the strengthening of economic and social cohesion within the Community.

assistance in the most disadvantaged regions; priority to be given to the five following objectives:

Objective 1: regions whose development is lagging behind, where the per capita GDP is less than 75% of the Community average. These regions, which receive double the amount of Community aid and 80% of the resources of the ERDF, include Greece, Ireland, Corsica and the French overseas departments.

Objective 2: areas affected by industrial conversion, where both the percentage share of industrial activity and the average rate of unemployment exceed the Community average. In other words, these are the regions hit by the decline of certain industries.



Mario Ramos

The European structural Funds are among the Community's chief tools for the strengthening of economic and social cohesion. The Single Act, therefore, provided for the reform of these Funds, with a view to increasing their effectiveness.

The structural Funds are: the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the European Agricultural Guidance and Guarantee Fund (EAGGF). The reform of the structural Funds is based on three main principles: the doubling of the available funds, i. e. ECU 14 billion per year between 1987 and 1993, instead of ECU 7 billion as previously; the concentration of



Fulvia Rottler



2 Guy Van de Berg

HOW?

The Community supports regions which have resolved to help themselves, to overcome their handicaps and to make full use of their human resources and their economic and technical potential. In each case, the development priorities are adapted to meet the needs of the region:

In the less developed regions (Objective 1), the emphasis is on catching up: modernization of communications and telecommunications infrastructures, water and power supplies, research and development, vocational training, services to businesses, etc.

In the areas undergoing industrial conversion (Objective 2), priority is given to employment and the quality of the environment: encouragement of new activities, rehabilitation of sites, land or buildings, conversion and improving the image of the region, training, research and development, strengthening the links between universities and industry, etc.

In the less-favoured rural areas (Objective 5(b)) efforts are concentrated on diversification of economic activity and the creation of jobs outside agriculture, particularly in tourism and small and medium-sized businesses.

The Community's assistance is based on three phases in which the Community collaborates with the Member States and the regions:

(i) Development plans identifying the main priorities of the regions are prepared by the competent authorities at national, regional or local level. These are submitted to the Commission by the Member States.

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One of the objectives: to assist regions whose development is lagging behind...

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... where the GDP is lower than the Community average.

Per capita GDP, 1988, in PPS, EUR 12 = 100

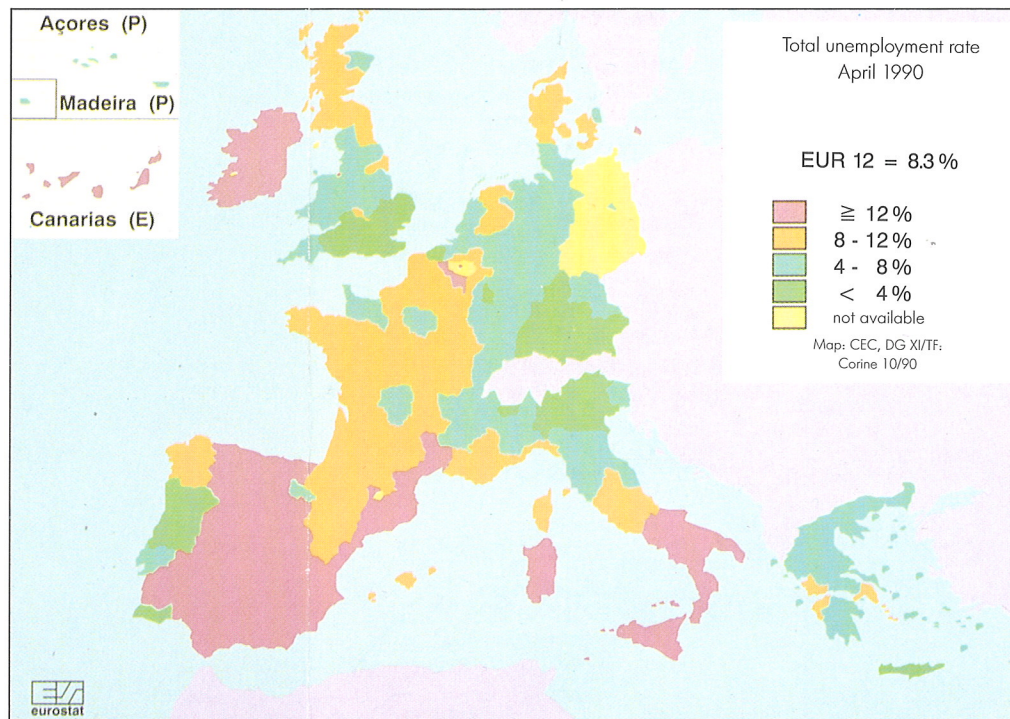
Belgique/België		España		Sud	68
Vlaams Gewest	101	Noroeste	69	Sicilia	70
Région wallonne	84	Noreste	88	Sardegna	75
Brussel/Bruxelles	155	Madrid	86		
		Centro	64	Luxembourg	
Danmark		Este	84	Luxembourg	121
Hovedstadsregionen	128	Sur	59		
Ost for Storebaelt, ex. Hovedst	91	Canarias	73	Nederland	
Vest for Storebaelt	100	France		Noord-Nederland	122
		Île-de-France	164	Oost-Nederland	85
BR Deutschland		Bassin parisien	99	West-Nederland	110
Schleswig-Holstein	94	Nord-Pas-de-Calais	87	Zuid-Nederland	94
Hamburg	182	Est	99		
Niedersachsen	97	Ouest	90	Portugal	
Bremen	146	Sud-Ouest	93	Continente	54
Nordrhein-Westfalen	109	Centre-Est	104	Açores	not available
Hessen	128	Méditerranée	94	Madeira	not available
Rheinland-Pfalz	101			United Kingdom	
Baden-Württemberg	119	Ireland		North	93
Bayern	113	Ireland	65	Yorkshire	
Saarland	104			and Humberside	96
Berlin (West)	124	Italia		East Midlands	100
		Nord Ovest	119	East Anglia	105
Ellas		Lombardia	138	South East	130
Voreia Ellada	52	Nord Est	117	South West	130
Kentriki Ellada	54	Emilia-Romagna	128	West Midlands	96
Attiki	58	Centro	111	North West	99
Nissia	48	lazio	118	Wales	89
		Campania	67	Scotland	100
		Abruzzi-Molise	87	Northern Ireland	80

Objectives 3 and 4: problems of long-term unemployment and the occupational integration of young people, which cannot be solved at regional level alone.

Objective 5(a): modernization of agricultural structures — another problem which goes beyond the merely regional dimension.

Objective 5(b): less-favoured rural areas affected by serious development difficulties.

Given the importance of what is at stake, the funds available to help the regions may appear modest (ECU 60 billion over five years). However, their impact is magnified by the increased and converging efforts of the regions, the Member States and private investors.



(ii) Next, the Commission draws up the Community support frameworks (CSFs) on the basis of the development plans, in agreement with the national or regional authorities concerned, within the framework of a real partnership. The CSFs are agreements in the true sense of the word, and define the priorities, the forms of assistance and the multi-annual financial support provided by the Community.

(iii) Lastly, the Member State concerned submits operational programmes for each of the priorities in the CSFs or, in certain cases, for individual projects. Once the decisions have been adopted by the Commission, the national and regional authorities are responsible for their implementation. Monitoring is carried out by all parties. As regards financial aid, the Community's assistance is global and coherent, combining the resources of its three structural Funds. The Funds, then, act together, each in accordance with its means and with the characteristics of the development programmes, so that maximum benefit can be drawn from the synergy between them. In some cases, additional funds are provided by the European Coal and Steel Community (ECSC) or the European Investment Bank (EIB). As for the Member States involved, not only do they have an important role to play, but they must also shoulder a large part of the financial cost.

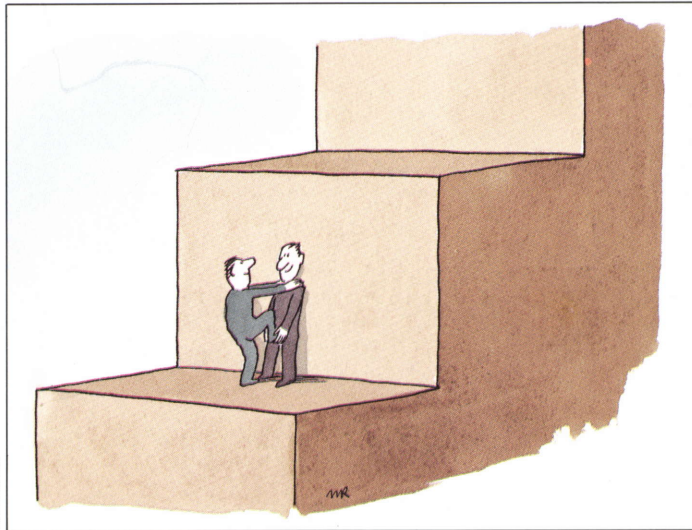
Without neglecting one-off development projects, the Community gives preference to multi-annual programmes of a certain scale. In this way, Community assistance is planned and targeted over a period of several years. Alongside its collaboration with the Member States, the Commission may undertake initiatives of its own to supplement the concerted action with the Member States in those fields and sectors which it considers have priority or are essential to the completion of the single market and which, in particular, enhance economic and social cohesion:

- (i) Community initiatives are intended to accompany other European policies, to act as a catalyst for their application in the regions or to contribute to the solution of problems common to different categories of regions. Between 1989 and 1993 some ECU 5.5 billion (from all Funds) are to be spent on various initiatives: the conversion of former coalmining, steelmaking or shipbuilding regions, environmental protection and regional development, regional cooperation between research and production activities, the supply of energy to under-equipped regions, promotion of telecommunications, aid for peripheral regions, cooperation between frontier regions, preparation for the single market and strengthening of the social dimension.
- (ii) Pilot projects the purpose of which is to explore new directions. The available funds (about ECU 300 million) are not sufficient for a fully-fledged policy, but could provide the basis for one, or at least a useful example. The fields concerned are urban renewal, exchange of experience in inter-regional cooperation and encouragement for the creation of transfrontier networks.

PARTNERSHIP, SUBSIDIARITY AND ADDITIONALITY

The fact that regional policy must be directed from Community level does not mean that the Commission is best placed to manage regional development. It therefore emphasizes three key concepts: partnership, subsidiarity and additionality.

- (i) Partnership implies the participation of all parties involved at regional and



Mario Komos



CCE

Community assistance for the UK, in Bradford.

national level at the different stages of the process (preparation and implementation of measures). To this end the Commission has set up monitoring committees, made up of national and regional officials, to monitor the execution of projects and assess their impact.

(ii) Subsidiarity is the word used to express the fact that responsibility is placed as close as possible to the level of concrete reality, where action can best be tailored to suit the situation. The conception and on-the-spot management of the programmes decided on in Brussels are the responsibility of the regional or national authorities.

(iii) According to the principle of additionality, Community assistance is given to supplement the financial efforts of the regions and Member States, without actually replacing it.

SOLIDARITY IS INDISPENSABLE

The Community as a whole will be the stronger the more the prosperous regions succeed in demonstrating their solidarity with the more disadvantaged ones.

The spirit of solidarity which inspires Community policy can also be seen in the methods used, particularly in the promotion of the partnership which brings together all the parties concerned.

This solidarity can be seen in the regions themselves, where the programmes and projects which have been jointly discussed and adopted are put into practice.

The Community set up the European Regional Development Fund (ERDF) in 1975. During the first 14 years of its existence, the ERDF provided the least developed regions with subsidies totalling ECU 24 billion. It has been responsible for the creation and continuation of almost a million jobs and contributed to the realization of more than 40 000 projects.

'Making a success of the Single Act requires not only the completion of the internal market but also the implementation of common policies which will give each region in the Community its chance.'

Jacques Delors,
President of the Commission

Community assistance for Germany, in Peine, Lower Saxony (extension of a purification plant).



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COMMISSION OFFICES

Office in Ireland

39 Molesworth Street, Dublin 2 — Tel. 71 22 44

Office in England

8 Storey's Gate, London SW1P 3AT — Tel. 222 81 22

Office in Wales

4 Cathedral Road, Cardiff CF1 9SG — Tel. 37 16 31

Office in Scotland

7 Alva Street, Edinburgh EH2 4PH — Tel. 225 20 58

Office in Northern Ireland

Windsor House, 9/15 Bedford Street,
Belfast BT2 7EG — Tel. 24 07 08

Information services in the USA

2100 M Street, NW, Suite 707,
Washington DC 20037 - USA
Tel. (202) 862-9500

305 East 47th Street, 1 Dag Hammarskjöld Plaza,
New York, NY 10017 - USA — Tel (212) 371-3804

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