



European Communities

**EUROPEAN PARLIAMENT**

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## REPORT

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

on the second periodic report on the social and economic  
situation and development of the regions of the Community

Rapporteur : Mr P. DE PASQUALE

WG(VS1)/1577E

PE 94.409/fin.  
Or. De.



By letter of 12 September 1984, the Committee on Regional Policy and Regional Planning requested authorization to draw up a report on the second periodic report on the social and economic situation and development of the regions of the Community.

At its meeting of 11/12/13 December 1984, the Bureau authorized the committee to report on this subject. On 14 January 1985, the Committee on Social Affairs and Employment was asked for its opinion.

On 20 September 1984, the committee appointed Mr SAKELLARIOU rapporteur.

The committee considered the draft report at its meetings of 25 January 1985, 22 February 1985, 19 December 1985, 23 January 1986 and 27 February 1986. The motion for a resolution as a whole was adopted on 27 February 1986 by 23 votes to 4 with 1 abstention.

The following were present at the vote : Mr DE PASQUALE, chairman; Mr M. PEREIRA, first vice-chairman; Mr NEWMAN, second vice-chairman; Mr CHIABRANDO, third vice-chairman; Mr SAKELLARIOU, rapporteur; Mrs ANDRE, Mr ARBELOA MURU, Mr AVGERINOS, Mr BARRETT, Mr C. BEAZLEY, Mrs BOOT, Mr BRITO APOLONIA, Mr CHANTERIE (deputizing for Mr Giummarra), Mr DURAN CORSANEGO (deputizing for Mr Alvarez de Eulate), Mr GANGOITI LLAGUNO, Mr GERONTOPOULOS (deputizing for Mr Ligios), Mr GOMES, Mr HUTTON, Mr KOLOKOTRONIS (deputizing for Mrs Gadioux), Mr LAMBRIAS, Mr LLORENS BARGES, Mr MARTIN, Mr MATTINA, Mr MUSSO (deputizing for Mrs Lemass), Mr O'DONNELL, Mr OLIVA GARCIA, Mr POETSCHKI, Mr SCHREIBER, Mr TAYLOR and Mrs VIEHOFF (deputizing for Mr Sanchez-Cuenca Martinez).

After the vote, the rapporteur asked to be discharged from his duties. On 28 February 1986, the Committee on Regional Policy and Regional Planning decided that the new rapporteur would be Mr DE PASQUALE.

The opinion of the Committee on Social Affairs and Employment is annexed to this report.

The report was tabled on 17 March 1986. The explanatory statement will be presented orally in the House.

The deadline for tabling amendments to this report will be indicated in the draft agenda for the part-session at which it will be debated.

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The Committee on Regional Policy and Regional Planning hereby submits to the European Parliament the following motion for a resolution:

MOTION FOR A RESOLUTION

on the second periodic report on the social and economic situation and development of the regions of the Community

The European Parliament,

- having regard to the second periodic report on the social and economic situation and development of the regions of the Community (COM(84) 40 final/2),
  - having regard to the statement by the Regional Policy Committee to the Commission on the second periodic report (COM(84) 40 final/2, Annex A),
  - having regard to the report of the Committee on Regional Policy and Regional Planning and the opinion of the Committee on Social Affairs and Employment (Doc. A 2-6/86),
  - having regard to Article 2(2) of Council Regulation (EEC) No 1787/84 of 19 June 1984 on the European Regional Development Fund (OJ No. L 169, 28.6.1984),
  - having regard to the first periodic report on the social and economic situation of the regions of the Community (COM(80) 816 final), and to its resolution of 17 February 1982 tabled on the basis thereof (OJ No. C 66, 15.3.1982),
  - having regard to the motions for resolutions by Mrs Ewing (Doc. 2-760/84) and Mr De Pasquale and others (Doc. 2-1114/84) on the second periodic report on the situation of the regions of the Community,
1. Points out that conclusive data, as up-to-date and as closely comparable as possible (identical years and levels) on the economic and social situation of the regions are absolutely essential for the implementation of an effective regional policy at Community level and in the Member States;
  2. Is of the opinion that the quality of analysis in the second periodic report has improved somewhat in comparison with the first report, and the range of problems examined has been widened;
  3. Notes that the social and cultural scope of the report is extremely limited; calls on the Commission to give greater attention in future to an analysis of social and cultural development, as this is just as important as economic development for the balanced, overall development of the Community's backward regions;

4. Notes that among the subject areas covered in the second periodic report are:

- regional implications of Community policies,
- regional labour market imbalances,
- regional production disparities,
- infrastructural endowment of the regions,
- regional aspects of the third enlargement of the Community,
- regional implications of new information technologies,
- relative seriousness of regional problems in the Community;

however, the Commission should extract from these analyses and conclusions further effective proposals for Community action in the various sectors of the economy in addition to that already decided on (non-quota projects, steel, textiles, shipbuilding, definition of IMP areas);

5. Notes that the most important findings of the second periodic report may be summarized as follows:

- in the reference period, regional disparities in production and productivity did not narrow - yet nor did they widen - on the contrary, they remained unchangedly high,
- the gap between the developed and less-developed regions of the Community as regards their economic and social infrastructures has not narrowed and is still wide,
- unemployment is generally above average in low-output regions; in addition, centrally situated and northern industrialized regions have recently been affected by above-average cyclical and, in part, structural unemployment,
- between now and 1990 (on the realistic assumption of a fall-off in regional migration flows), regional labour market imbalances will worsen as a result of low overall economic growth, coupled with a high birth rate in certain weak regions; unemployment - principally youth unemployment - will rise,
- regional disparities will be exacerbated by the enlargement of the Community to include Spain and Portugal;

6. Stresses that, under the terms of Article 2(2) of the ERDF regulation, the Commission is required to submit, 'on the basis of this (periodic) report' and 'if necessary', 'proposals for Community regional policy guidelines and priorities' and suggests that the Commission should give thorough consideration to the conclusions it proposes to draw from the analyses in the periodic reports;

7. Notes that the data on the regions supplied to the Commission by the Member States pursuant to Article 2(2) of the ERDF regulation are sketchy, incomplete, overdue and frequently out of date. This applies particularly to the regional figures on hidden unemployment (under-employment, short-time working), long-term and youth unemployment, and gross domestic product and regional shares thereof. Calls on the statistical offices of the Member States and the Commission to devote more attention in future to the various forms of unemployment;

8. Urges the Commission to make available more funding with a view to enabling Eurostat to coordinate and harmonize Member States' statistics on a large scale;
9. Calls on the Commission and the Greek Government to work more closely together on regional statistics, so that the Greek regions may figure more prominently in the analyses of the next periodic report;
10. Notes that the report, which was completed in April 1984, describes developments in the regions between 1977 and 1981. With the exception of unemployment figures dating from 1983, no more recent information was available;
11. Notes that a comparative analysis of the socio-economic situation of the 117 Community regions comprising level II is difficult, given the substantial variations in territorial area and population size; hopes, however, that the third periodic report, by taking as its unit of analysis the next smallest regional subdivision (level III - 742 regions), will make comparison more meaningful;
12. Calls, in agreement with the Commission, for ERDF assistance to be granted first and foremost to the weakest regions in the Community, and considers therefore the introduction of objective statistical criteria to record as accurately as possible the socio-economic situation of the Community's regions to be desirable. The compilation of lists of priority regions, based on a large number of useful and comparable indicators, may serve as a valuable aid to decision-making in this connection;
13. Is of the opinion, however, that a list of priority regions can serve as an aid to decision-making in the determination of regional policy objectives and the allocation of assistance to the regions only if it is based on indicators which reflect the complexity of regional problems in the Community, allowing for the trends most likely to shape future development;
14. Is of the opinion that, in drawing up a list of priorities, due regard must be given both to previous decisions on granting assistance and to planned objectives, so that decisions of a structural type pinpoint as accurately as possible the causes of backwardness in the regions, to enable assistance to be specific and effective;
15. Is of the opinion that the 'synthetic index' proposed by the Commission should form the basis of the determination of priority regions with the addition of specific weighted criteria to measure the actions needed to tackle imbalances in different types of regions;
16. Calls on the Commission to draw up a series of supplementary indexes capable of contributing to describing the socio-economic situation of each region more accurately, and for this purpose asks for consideration to be given to the possibility of including the following variables when drawing them up, if it can be guaranteed that the relevant data are reliable and can be collected quickly:

- regional unemployment rate broken down by age and sex
- regional GDP per production sector, per person in gainful activity and per capita
- disposable household income
- emigration and trends in emigration
- regional endowment, in respect of infrastructure and by productive activity
- any other indicator adapted to a specific type of problem or activity.

Where not already available, the corresponding figures should be compiled by the Community's Statistical Office as a matter of priority;

17. Is of the general opinion that Community regional policy should not seek solely to correct regional imbalances after the event, but equally concern itself with the likely regional impact of national and Community policies, and, in addition, of overall economic trends and technological advances. Future periodic reports should therefore devote greater attention to forward analysis of the factors relevant to regional development (labour market, development of sectors of activity, overall economic growth, investment, technological progress, migration flows, regional impact of new policies, etc.) and to ways of coping with the causes of regional disparities and not just with their consequences or symptoms, i.e. the various indicators;
18. Calls on the Commission to make the effectiveness of the range of regional policy instruments deployed by the Member States the subject of comparative analysis and critical assessment;
19. Calls on the Commission to extend its annual regional breakdown of statistics on Community financial aid to investment to cover the regional aid granted by the Member States and regions, listing also the number of jobs which have been created or preserved in each instance by that means;
20. Points out that what is known as the 'black economy' has acquired considerable importance in all the Member States, and is continuing to become an increasingly important factor, and takes the view, therefore, that a future study of the socio-economic situation of the regions cannot ignore this phenomenon;
21. Urges in this connection that the scale and economic importance of female labour be recorded in the complementary statistical data, whether it be work performed at home for manufacturers or craft industries, work which is most often done by women, or the not inconsiderable part they play in farming;
22. Expresses its concern at the rapid decline of the inner cities in the large built-up areas of certain Member States, resulting in concealed poverty, and calls therefore on the Commission to devote more attention to this problem in its third report;



23. Takes note of the Commission's analysis of the far-reaching regional policy implications of the enlargement of the European Community, and calls on the Commission and Council, when the time comes, to draw the necessary conclusions for a regional policy for the Community of Twelve;
24. Is of the opinion that following Spanish and Portuguese accession to the Community, the financial endowment of the ERDF and the other structural funds must, so as not to prejudice the other Member States, be increased substantially, by a proportion exceeding the likely increase in the Community's own resources, and notes with regret that the 1986 budget does not meet this requirement;
24. Instructs its President to forward this resolution to the Council, the Commission and the governments of the Member States.



MOTION FOR A RESOLUTION DOCUMENT 2-760/84  
tabled by Mrs EWING  
pursuant to Rule 47 of the Rules of Procedure  
on the Second Periodic Report on the Regions

The European Parliament,

- A. having regard to the Delmotte report (Doc. 1-825/81) and to Written Questions Nos. 239/82, 1122/83 and 2208/83 which highlighted certain inadequacies in the First Periodic Report on the Regions;
  - B. having regard to the statement by the Regional Policy Committee published in Annex A of the second periodic report;
  - C. having regard to the role which these periodic reports are intended to play in determining priorities in the future operation of the ERDF;
  - D. having regard to the arbitrary decision to divide Scotland into 3 Level II regions for the purposes of the report, and noting
    - (a) that the Northern Scottish unit covers over 50% of the Scottish land mass;
    - (b) that this Northern area is considerably larger than Belgium which was broken down into 9 provinces and that a synthetic index range of 51 points was found between the Belgian provinces;
    - (c) that the inclusion of the relatively rich and much more densely populated Grampian Region in this Northern unit completely distorts the overall view of the social and economic situation in the vast bulk of the area in question; and,
    - (d) that the Institute for the Study of Sparsely Populated Areas has found very significant differences between the standard of living in Aberdeen, the oil rich capital of Grampian Region, and remote towns and villages in the Highland and Islands Regions;
1. Considers that the Second Periodic Report has failed to provide a sufficient analysis of the problems encountered in remote and sparsely populated areas;
  2. Urges the Commission to introduce more sensitive measurements of under-development and to take greater account of structural and geographical disadvantages in future reports of this kind,

3. Recommends, in particular, that :
- (1) there should be a greater degree of harmonization in the size of regions studied;
  - (2) greater account should be taken of travelling times and costs within a region;
  - (3) greater account should be taken of the percentage of workforce in seasonal or insecure employment (i.e. tourism and oil related employment);
4. Requests its President to forward this resolution to its relevant committee.

MOTION FOR A RESOLUTION DOCUMENT 2-1114/84  
tabled by Mr DE PASQUALE, Mr DUCARME, Mr NEWMAN and Mr CHIABRANDO  
pursuant to Rule 47 of the Rules of Procedure  
on 'The Regions of Europe - Second Periodic Report on the social and economic  
situation and development of the regions of the Community' (COM(84) 40 final/2)

The European Parliament,

- A. whereas this report was drawn up in pursuance of the Council decisions of 6 February 1979 (OJ No. L 35 of 9 February 1979) on the guidelines for Community regional policy,
- B. noting that it follows in the line of the First Periodic Report on the social and economic situation in the regions of the Community, published in 1981 (COM(80) 816 final/2), and an earlier analysis of the regions of the Community (Regional Problems in the Enlarged Community (COM(73) 550 final)),
- C. whereas the European Parliament has already delivered an opinion on these two reports,
- D. pointing out that this Second Periodic Report deals with the situation of the regions at the start of the 1980s and developments since 1973, that it examines the prospect for developments in regional employment markets in the 1980s and the regional aspects of the enlargement of the Community, and that the Commission submitted this Periodic Report on 2 May 1984.

Instructs its appropriate committee to table a report on this important document without delay.



OPINION

(Rule 101 of the Rules of Procedure)  
of the Committee on Social Affairs and Employment

Draftsman : Mrs R. DURY

On 22 April 1985, the Committee on Social Affairs and Employment appointed Mrs R. DURY draftsman of its opinion.

The Committee considered the draft opinion at its meeting of 20/21 May 1985 and adopted it on 21 May 1985 unanimously.

The following took part in the vote: WELSH (P), McCARTIN (VP), DURY (rapporteur), BACHY, DALY (deputising for Sir JACK STEWART-CLARK), D'ANCONA, FITZGERALD, GIANNAKOU-KOUTSIKOU, HARLIN, HINDLEY (deputising for DIDO), LARIVE-GROENENDAAL, MARINARO (deputising for RAGGIO), McMAHON (deputising for PETERS), MAIJ-WEGGEN, STEWART, TUCKMAN.

## A. Introduction

1. The report "The Regions of Europe" (Doc.COM(84) 40 final/2) is the second one produced by the Commission at the request of the Council on the social and economic situation and development of the regions of the Community. The intention was that these reports would appear every two-and-a-half years. However, while the first one was published in 1980 the second one has been delayed considerably as suggested by the Regional Policy Committee in order to ensure that it contains the most recent statistics available and reflects new developments of all aspects covered by it. It is a document to be used by the Commission when it takes decisions in the field of regional policy.

2. The Committee on Social Affairs and Employment thought it appropriate to draw up an opinion on that report particularly in view of the interest it places on the situation of the employment market in the Community. Moreover, the number of factors taken into consideration at the drawing up of the report (e.g. labour productivity, demographic factors, population density, social infrastructures, the consequences of the third enlargement on the Community's regions) made it highly interesting to the Social Affairs Committee, in the sense that it provides valuable information as regards both past developments in the sector and prospects for the future.

## B. Structure of the report

3. The report consists of seven chapters:

- the first is a kind of general introduction to the subject including, inter alia, the general economic background, the effects of Community regional policy and the impact of other EC policies;
- the second is the most important from the point of view of the Social Affairs Committee and deals with the imbalances on regional labour markets and associated disparities, including structure and development of population, structure and development of regional employment and future developments in the field;
- the third concerns regional production disparities and covers topics such as the effect of productivity, demographic factors and employment on disparities of GDP per head;



- the fourth considers the importance of other factors related to regional disparities (population density, infrastructure, peripherality and centrality);
- the fifth is devoted to regional differences in living conditions;
- the sixth refers to the regional aspects of the third enlargement of the Community and,
- the seventh contains a summary and the conclusions.

#### C. Regional labour markets

4. A comparison between the first and the second reports on the "Regions of Europe" shows a clear improvement of the quality of data included in the latter, as confirmed by the statement of the Regional Policy Committee of the EC attached to it. As regards social statistics in particular, this improvement has to be seen against the background of the difficulties in collecting them at regional level and in comparing them from country to country. The basis of these statistics is the labour force enquiry which is carried out every two years by the Community Statistical Office. The results of the most recent enquiry were published just after the second report was drawn up, which means that the relevant data are not fully up to date.

#### D. Statistical data and analysis used in the report

5. The instrument used in order to give a picture of the situation is the "synthetic indicator" for the regions, which covers economic imbalances in the classical sense of the term, ie. structural unemployment and GDP. Nevertheless, the "synthetic indicator" should take into account more indicators in order to provide a more complete picture of the situation;

On the wider issue of the analysis and data used for the drawing up of the report it is sufficient to mention some comments made by the Regional Policy Committee of the EC:

- a number of elements introduced in the report (eg. the forecasting of the development of regional labour markets, the situation of regions affected by the decline of certain industrial sectors, consideration of specific problems of frontier regions, etc.) are welcome,

- the efforts made to achieve series of statistics of sufficient comparability should continue. The Regional Policy Committee of the EC advocates the drawing up of a study to evaluate the influence of under-employment on the regional labour markets of the Community,
- a greater emphasis should be attached to the comparison of regional living standards,
- the Regional Policy Committee of the EC is in favour of an in-depth study of the growing unemployment in industrial regions of the Community as well as the methods to deal with it in connection with other regional problems.

#### E. The findings of the report

6. An analysis of the conclusions of the report demonstrates that there have been considerable shifts in population:

(i) Migration flow:

There has been a reduction in the migratory flow within individual countries as well as from country to country within the Community. The 80s differ from the 70s in the sense that now the migration flow has almost stopped and in some cases has even been reversed;

(ii) Overall unemployment:

The overall unemployment has increased, with the "classical unemployment regions" particularly hard-hit as against regions with low initial levels of unemployment, which have undergone a more limited deterioration of their situation;

(iii) Disequilibria in labour market:

Regardless of which indicators are considered at Community, national and regional levels, they show very high and, indeed sometimes growing imbalances on the labour market at Community level. The Commission estimates that some 3.5 million additional jobs would need to be created in the Community over the period 1984-90 merely to stabilise disequilibria on the labour market at their 1983 level of 10.8%;

(iv) Female unemployment:

For the Community as a whole the female unemployment rate has been systematically higher than that for the total labour force (1983 gap: 3%) with the situation particularly serious in the cases of Italy, Belgium and the Netherlands (gap: 11%);

(v) Youth unemployment:

As regards youth unemployment, the situation seems to be even worse insofar as its Community level is more than double that of the overall unemployment level, with Italy particularly hard hit. At regional level, regions with youth unemployment rates above 25% are spread out through most of the Community;

(vi) Third enlargement:

The enlargement of the Community to include Spain and Portugal will do nothing to iron out the above disparities in the sense that the population of the weakest regions of the Community will practically double. All "peripheral" regions of the enlarged Community have a young population with a greater growth rate than that of the Community as a whole, which after the reversal of the migration flows are entering their respective labour markets at a greater rate.

## CONCLUSION

The Committee on Social Affairs and Employment :

- acknowledges in particular the considerable amount of hard work that went into the drafting of the second report on the social and economic situation and development of the regions of the Community;
- notes that the wealth of information collected gives a clear and comprehensive view of the situation in the various regions;
- notes with satisfaction that considerable importance has been given in the report to indicators and statistics relating to employment, unemployment and population trends in the various regions;
- feels that the analyses of the employment situation should be taken further and cover such important matters as:
  - long-term unemployment, which is regarded as alarming but which has not been analysed in view of the severe problems of sampling or the lack of statistics
  - under-employment in certain regions
  - job losses in certain areas whose industry is antiquated
  - job losses in urban centres;
- notes that since 1981 there has been a considerable increase in the level of unemployment and insists that data relating to the last labour force enquiry (LFE 1983) should be incorporated at the earliest possible stage in the analysis submitted;
- calls for qualitative studies to be carried out, since no adequate indicators are available at present, to provide a clearer picture of differences in living standards and of areas affected by poverty and schooling;
- concludes that there is a need for a differentiated regional employment policy updated to take account of the major disparities brought to light by the report;

# EUROPEAN PARLIAMENT

COMMITTEE ON SOCIAL AFFAIRS AND EMPLOYMENT

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## C O R R I G E N D U M

to

the Opinion for the Committee on Regional Policy and Regional Planning on "The Regions of Europe": Second periodic report on the social and economic situation and development of the regions of the Community (CCM(84) 40 final/2) (PE 97.595/fin.)

Page 8, 7th indent should read as follows:

- calling for qualitative studies to be carried out, since no adequate indicators are available at present, to provide a clearer picture of differences in living standards and schooling and of areas affected by poverty;

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31 May 1985

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(PE 97.595/fin.)  
PE 94.409/fin.

- notes that enlargement will lead to an increase in the number of regions with structural difficulties in the Community as one fifth of the Community's population will be living in regions whose per capita GDP is less than 60% of the Community average;
- stresses the importance of the use of the structural funds and insists not only that more resources should be allocated to these funds but also that they should be used more effectively.
- with this in mind, hopes that despite the difficulties of method involved in this kind of approach, an assessment will be made of the regional impact of Community policies and especially of the results obtained from the introduction of the structural funds (ERDF, ESF...)