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# Working Documents

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5 April 1983

DOCUMENT 1-85/83

REPORT

drawn up on behalf of the Committee on Transport

on the communication from the Commission of the  
European Communities to the Council (Doc. 1-1170/82 -  
COM(82) 828 final) on a transport infrastructure  
experimental programme

and

on the contribution of a comprehensive European  
transport investment programme to the fight against  
unemployment

Rapporteur: Mr M. MARTIN



On 26 January 1983 the Committee on Transport decided to request authorization from the Bureau to draw up an own-initiative report on the potential contribution of a comprehensive European transport investment programme to the fight against unemployment. Mr Maurice Martin was provisionally appointed rapporteur.

The Committee on Transport was subsequently requested to draw up a report on the communication from the Commission of the European Communities to the Council on a transport infrastructure experimental programme (COM(82) 828 final), on which the Council had consulted Parliament by letter of 17 January 1983 (Doc. 1-1170/82).

The Committee on Transport decided to deal with both subjects in a single report, thereby rendering unnecessary the request for authorization to draw up a separate own-initiative report. Mr Maurice Martin was confirmed as rapporteur.

The committee considered the matter at its meeting of 16 March 1983.

The motion for a resolution was unanimously adopted at the same meeting.

The following took part in the vote: Mr Seefeld, chairman; Mr Martin, rapporteur; Mr Albers, Mr Buttafuoco, Mr Carossino, Mr Forth (deputizing for Dame Shelagh Roberts), Mr Gauthier, Lord Harmar-Nicholls, Mr Hoffmann, Mr Janssen van Raay (deputizing for Mr Modiano), Mr Klinkenborg, Mr Lagakos, Mr Loo (deputizing for Mr Gabert), Mr Marshall, Mr Moorhouse and Mr Nikolaou (deputizing for Mr Ripa di Meana).

The opinion of the Committee on Budgets will be published separately.

This report was submitted on 23 March 1983.

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A

The Committee on Transport hereby submits to the European Parliament the following motion for a resolution, together with explanatory statement:

MOTION FOR A RESOLUTION

closing the procedure for consultation of the European Parliament on the communication from the Commission of the European Communities to the Council on a transport infrastructure experimental programme  
and  
on the contribution of a comprehensive European transport investment programme to the fight against unemployment

The European Parliament,

- A. having regard to the communication from the Commission to the Council (COM(82) 828 final),
- B. having been consulted by the Council (Doc. 1-1170/82),
- C. referring to its resolutions of 18 November 1976<sup>1</sup>, 4 July 1977<sup>2</sup>, 11 July 1980<sup>3</sup>, 7 May 1981<sup>4</sup>, 9 July 1982<sup>5</sup> and 8 November 1982<sup>6</sup>,
- D. having regard to the Council Decision of 16 December 1982 in which the Council approved the proposal for a regulation on limited financial support in the field of transport infrastructure, which provided for 10 million ECU entered in the 1982 budget to be earmarked for financial support for the Domodossola goods station, the Klidi-Axios road and Channel Tunnel preliminary work projects,
- E. having regard to the report of the Committee on Transport and the opinion of the Committee on Budgets (Doc. 1-85/83),
- F. having regard to the result of the votes on the Commission's communication,

<sup>1</sup> OJ C 293 of 13.12.1976, p. 57 - Nyborg report, Doc. 377/76

<sup>2</sup> OJ C 183 of 1.8.1977, p. 15 - Nyborg report, Doc. 185/77

<sup>3</sup> OJ C 197 of 4.8.1980, p. 74 - Buttafuoco report, Doc. 1-218/80

<sup>4</sup> OJ C 144 of 15.6.1981, p. 77 - Klinkenberg report, Doc. 1-601/80

<sup>5</sup> OJ C 238 of 13.9.1982, p. 99 - Moorhouse report, Doc. 1-214/82

<sup>6</sup> OJ C 292 of 8.11.1982, p. 102 - Roberts report, Doc. 1-651/82

1. Welcomes the communication from the Commission to the Council as a first step in the right direction and as an interesting basis for discussion and therefore calls on the Council and the Commission to take into account the ideas contained in this resolution and in the accompanying explanatory statement for the development of infrastructure policy;
2. Takes the view that the communication from the Commission to the Council on a transport infrastructure experimental programme contains genuinely realistic proposals, which offer a modest but real prospect of progress, while taking account of longer-term factors concerning transport policy and the fight against unemployment;
3. Sees, in the development of the manufacture of transport equipment - in particular for public transport - based on the new infrastructures planned, the possibility of generating a significant number of jobs;
4. Approves the method used by the Commission, namely of grouping together the projects selected by the Member States in order subsequently to determine the extent to which they are complementary or incompatible;
5. Considers that only projects which combine both national and Community interest - in particular, projects designed to eliminate bottlenecks - are likely to be accepted and to receive the backing of Community financing;
6. Believes nevertheless that it is the responsibility of the Commission to prevail upon the Member States to submit projects which are of definite interest to the Community;
7. Defines as infrastructure projects of Community interest primarily those projects whose purpose is to facilitate the movement of individuals and goods between the Member States and which meet optimum requirements in terms of the economic impact on the regions concerned - including, in particular, the peripheral regions - energy-saving, environmental protection and safety;

8. Asserts that only an inter-modal approach based on complementarity will ensure that each means of transport, including combined means of transport, is accorded its rightful place in the system, in line with the specific advantages it offers;
9. Notes that in the illustrative list consisting of the submissions from the Member States, road infrastructures account for well over half the total estimated cost;
10. Considers that promotion of the means of transport and of the railway network in particular would contribute significantly to the attainment of greater consistency in the organization of the Community transport system;
11. Takes the view that infrastructure projects of Community interest could directly and indirectly create numerous jobs, particularly in basic sectors such as the metallurgical and building industries and the services sector;
12. Emphasizes nevertheless that, given the nature of the current economic crisis, there can be little hope of a solution based solely or mainly on the implementation of major projects in order to attain the objective of a massive reduction in unemployment;
13. Also emphasizes that elimination of the barriers to freedom of transport within the Community would have a considerable beneficial effect on employment;
14. Affirms that the rapid rise in unemployment resulting from the structural changes associated with the severe world economic recession is due to insufficient productive investment resulting from the decline in purchasing power on the markets of the Member States, and that it cannot be combated by public investment alone;
15. Stresses that it is the responsibility of public and private undertakings to give preference, in the context of infrastructure projects to be carried out as part of Community programmes, to Community products;

16. Underlines that in addition to the direct multiplier effect on jobs which a particular project may be likely to generate, it is necessary to consider first of all the long-term impact which the existence of new infrastructures might exert on the economies of the Member States concerned and thereby on their levels of employment;
17. Calls on the Commission:
  - (a) to examine in collaboration with the relevant representatives of the Member States and with representative workers' and employers' organizations the likely impact, in terms of directly and indirectly created jobs, of implementing projects classified as infrastructure projects of Community interest,
  - (b) to continue its efforts to find as many projects as possible which are complementary;
18. Instructs its President to forward this resolution to the Council and the Commission as Parliament's opinion.



EXPLANATORY STATEMENTI - INTRODUCTION

1. The balanced and experimental programme, which extends over a period of 3 to 5 years, comprises a large number of specific infrastructure projects.

2. The Commission requested that these projects, grouped together on the basis of contributions from the Member States, should meet a number of specific requirements:

. they should be consistent with the Commission's previous work:

- report on bottlenecks;
- report on the evaluation of Community interest;
- report on a trial application of the methods of evaluating Community interest;
- results of the consultations of 13 March 1981 on road projects in the Grand Duchy of Luxembourg.

. they should be of Community interest and subject to a schedule of completion dates.

. their cost should not exceed a total appropriation fixed in advance (1,500 million ECU).

3. The aim of the experimental programme is to illustrate by means of a few concrete examples the method of evaluating the Community interest of investment in transport infrastructure.

4. Looking beyond this programme, the Committee on Transport has sought to give more substance to the debate on the usefulness of Community infrastructures by bringing within its compass an assessment of how positive a contribution such infrastructures could make to the fight against unemployment.

## II - THE EXPERIMENTAL PROGRAMME

5. The programme will extend over five years and comprise two phases: from 1983 to 1984 and from 1985 to 1987.

The first two years of the programme will be taken up with Member States' projects which fulfil the conditions outlined above and which are sufficiently advanced to benefit from practical aid.

6. The Commission has in mind a total appropriation of 150 million ECU, of which 50 million ECU should be available during the first year.

7. Under these conditions, the number of possible projects will inevitably be small. Indeed, bearing in mind the real limits that will be imposed by the amount entered in the 1983 budget (15 million ECU), the only projects that could be envisaged in the first year are those which would rapidly remove the worst of the bottlenecks.

8. For the second, three-year, period, the Commission has not selected any projects but simply drawn up a list of the projects submitted by the Member States. It believes that this second phase should be made up of projects chosen on the basis of the results obtained from the evaluation of the Community interest using the methods which it has proposed to the Council.

9. As a working hypothesis, the Commission suggests that a sum of 150 million ECU per annum should be set aside for the second period.

## III - GENERAL COMMENTS ON THE COMMISSION'S PROPOSAL

10. All the groups represented on the Committee on Transport are convinced of the importance of promoting the development of Community infrastructures. All consider that, whether by its economic, social or political impact, a common transport policy represents, not only a wide-ranging harmonization effort (structural, technical, legislative and regulatory), but also a real and visible move into the area of common interest projects, executed with Community financial backing.

11. In view of this, while we may regret that the objectives of the experimental programme are modest, the amount of thought and the sense of responsibility which characterize it deserve to be emphasized.

12. It is clear that, given how far the common transport policy has fallen behind, it is now a matter of particular urgency to make a real move from the stage of projects into that of concrete achievements.

13. Experience in the development of Community infrastructures should make it possible to:

- make progress in the discussion of a more precise definition of Community interest as compared with purely national interest;
- encourage the Member States to set themselves, in the light of this initial experience, common targets that are more ambitious than today's conditions would allow.

14. The pragmatic and realistic method adopted by the Commission in drawing up the transport infrastructure experimental programme is fully consistent with today's possibilities.

15. There is no doubt that the Commission has ensured the best conditions for the achievement of practical results by taking as its starting point the various Member States' contributions and then examining the extent of their complementarity.

It is an approach motivated by a genuine desire to promote cooperation among the Member States.

16. Obviously, in adopting this approach, the Commission ran the risk of being confronted with some projects which on closer examination prove to be incompatible. But it is a risk that should not discourage it from continuing in this way. Problems thus brought to light, particularly as regards incompatible projects (as, for example, in the case of the Paris-Brussels-Cologne rail link, mentioned in the communication), should enable national decision-makers to seek agreed solutions that take into account both long-term Community interests and the national interests of the countries concerned.

17. This approach can be seen to promote positive thinking among our national decision-makers. In searching for projects likely to qualify for Community aid, they are obliged to take into consideration the involvement of the interests of one or more other States in the proposals they submit.

18. Your rapporteur was in fact able to observe for himself the galvanizing effect of the Commission's proposal on Ministry of Transport officials in his own country. Even before the Cabinet meeting due to consider the question was held, the Ministry had its departments beavering away to add to the contribution a large number of new projects.

19. There is one major criticism to be made, concerning the distribution of the projects among the various means of transport. Taken together, they contain a very heavy proportion of road infrastructure projects.

Given this excessive modal imbalance in favour of roads, the Committee on Transport is unanimous in calling for more encouragement to be given to railway infrastructure projects and to the development of equipment for combined means of transport.

20. As regards the financial side, your rapporteur considers that the Commission made a judicious choice in proposing progressive budget appropriations and an overall appropriation for the programme as a whole.

21. Your rapporteur fully shares the Commission's view that the cost of the projects does not directly reflect their real importance in terms of the improvement of infrastructures.

22. By removing bottlenecks and by improving transport links between regions whose economic interests are complementary, certain, even quite modest, projects can make a very considerable difference to the volume and direction of traffic flows.

23. If we go beyond the Community experimental infrastructure programme and its justification in terms of meeting our needs, as required by a more coherent common transport policy, it is understandable that the question of the possible impact of infrastructure development on employment should arouse considerable interest.

24. During the special April part-session on employment, the Committee on Transport will be perfectly justified, within the limits of its terms of reference, in spelling out what contribution it believes the development of new infrastructure or the modernization of old equipment could realistically make to the creation of jobs.

25. The implementation of the experimental programme, recast and improved on the basis of the opinion delivered by the European Parliament on the initiative of the Committee on Transport, will have significant repercussions on the employment situation of the regions directly concerned.

26. Your rapporteur is of the opinion that, in adopting the motion for a resolution incorporated in this report, the European Parliament will lend support to a constructive Commission policy which depends essentially on the voluntary cooperation of the States.

27. If vindicated, such a policy would create the conditions needed for the common transport policy to be able to make up the time lost and make a full contribution to the fight against unemployment.

28. It nevertheless seems essential to specify the extent to which such a contribution could prove effective.

There is a strong temptation in this period of profound crisis to base one's approach on measures that have already been tried.

The shadow cast by twelve million unemployed - which daily grows more menacing - clearly justifies the search for any means to arrest the upward trend and thus create the conditions needed for a return to full employment.

29. Like certain labour-intensive industrial sectors, the transport policy is obviously expected to set an example.

However, no-one should harbour the illusion that there is an automatic link between the reduction of mass structural unemployment and the implementation of major projects.

30. The contribution that an infrastructures policy can make to reducing unemployment has to be assessed realistically.

The accompanying motion for a resolution drawn up for the special part-session on employment is not intended to encourage the belief that transport infrastructures could be a means of ending mass unemployment, or even make a decisive contribution.

It is essential to consider, not so much the direct, but necessarily temporary, impact of the demand for manpower that could result from the development of infrastructures, as the longer-term consequences of the existence of new or modernized infrastructures.

31. It goes without saying that, although the long-term impact on employment could not be measured accurately, one hour saved in the journey between two European capitals or two large towns separated by a frontier makes an important contribution to the unification of the labour market and to the creation of new links and new relations.

32. Consequently, the contribution of infrastructures towards solving the unemployment problem must be seen to reside primarily in the benefits obtained from increasing the facilities available for the free movement of persons and goods, which constitutes one of the major objectives of the Treaty of Rome.

33. On no account, however, can an infrastructures policy - even it is a Community policy - be made to act as a replacement, like a spare wheel, for a comprehensive economic policy equal to the task of combating unemployment.

34. An infrastructures policy could contribute to the reduction of unemployment at three levels.

35. - The apportionment among our ten States of modest but feasible medium-term projects will have the effect of directly creating jobs not only in the regions concerned, but also in the national industries involved in the projects (basic industries such as the metallurgical and the building industries, but also the services sector).

The multiplier effect may be more or less substantial according to the nature and the duration of the projects.

In order to be sure that employment really benefits from the multiplier effect, it should be agreed that only materials produced by the industries of our countries should be used for the development of infrastructures of Community interest.

36. - The ease of communication made possible by the existence of new infrastructures should enable undertakings using them to make savings on transport costs which could be used for job-creating investment.

Better objective conditions for the movement of persons and goods, particularly between our States, should make for an expansion of intra-Community trade.

This would do much to promote the rapid development of the Community's internal market and the individual national markets, which is essential for the creation of stable jobs.

37. - The existence of new infrastructures of Community interest and the modernization of old infrastructures would create the conditions needed to develop the production of transport equipment. In particular, the production of public transport equipment could generate many new jobs.

38. Whether we are concerned with the implementation of the 1983-1987 experimental programme or, more generally, with the implementation of all Community infrastructure policies, your rapporteur considers it very important that the trade union organizations representing the workers concerned should be involved in all the operational stages - choice of projects, their elaboration and their implementation - so that solutions can be sought that will have the widest possible social impact.

39. The motion for a resolution insists that the Commission should collaborate with representative workers' and employers' organizations in selecting and implementing the projects to be accorded the status of infrastructure projects of Community interest.