



First Cohesion Report adopted

On 6 November 1996 the Commission adopted the first of the reports on cohesion required by the Maastricht Treaty. It surveys past and present trends in the field of economic and social cohesion as well as the policies pursued by the Member States and the Union to reduce disparities in economic and social development.

The Report's findings are clear: progress has been made. Between 1985 and 1995, the four least prosperous countries of the Union (Spain, Portugal, Greece, Ireland) saw an increase in their per capita incomes from 66% to 74% of the Community average.

The creation of more than seven million jobs over the last decade shows what the Union's economy is capable of.

But unemployment still remains the most serious problem within the Union, and in this area there are wide differences between Member States and between their regions. The unemployment rate in Spain is as much as 23% of the gainfully active population, compared with 2.4% in Luxembourg.

Policies pursued in the Member States are acting in the right direction. This is particularly true of the macroeconomic measures designed to help national economies meet the Maastricht criteria. Such measures are contributing towards a general climate favourable to investment and growth. Social spending by Member States is also a major instrument in combatting poverty in Europe.

The Union itself operates several policies which do not have cohesion as their main aim but which already take this more general goal into account or will need to take more account of it in future.

For instance, the Union's **social policies** have helped strengthen integration and cohesion, in particular in the fields of labour law, health and safety at work, the free movement of persons and equal opportunities.

The completion of the **single market** has enabled countries such as Spain, Portugal and Ireland to improve their trade position with respect to their partners in the Union.

The reform of the **common agricultural policy** has reinforced the role of this policy in reducing disparities between rich and poor. Efforts also need to continue to ensure that the Union's programmes of **research and development** do not widen the technology gaps in Europe.

In a similar vein, it will be vital to make sure that the least well-off and peripheral regions have proper access to the new **trans-European networks**.

Finally, in the field of **competition policy**, it will be important to limit the disparities between regions assisted by national regional policies and regions benefiting from the regional assistance that is provided by the Union.

The impact of the cohesion policy being pursued by the Union is measurable in macroeconomic terms in the four cohesion countries (Spain, Portugal, Greece, Ireland). The Structural Funds have brought them additional growth of 0.5% a year, as well as creating more than 500 000 jobs in 1989-93. In the other countries of the Union, the Funds have assisted in the conversion of declining industrial regions. They have contributed to diversification in rural areas suffering from depopulation. Overall, the Cohesion Report confirms that almost 40% of the flow of assistance to the least prosperous Member States comes back to the richer countries in the form of purchases of plant, machinery and know-how.

Two of the main lessons from the Report are that the effectiveness of the cohesion policy must be enhanced and that it must be adjusted to meet the priority needs of the Union's citizens. In order to reinforce the effectiveness of the Structural Funds, they must be geared towards results,

simpler procedures and more efficient financial engineering. At the same time, the Funds must fulfil the most pressing needs of the citizens in the Union and should therefore concentrate on job creation, research and technology development, environmental protection and equal opportunities.

Three new programmes adopted

In October the Commission approved Community financing for two new programmes to develop declining city areas under the Community's Urban Initiative (see table).

The Commission also adopted a programme designed to improve the territorial data available on the regions eligible under Objective 1 in Spain (land register, mapping, etc.). The total volume of this programme is put at ECU 79.4

million, three quarters of which will be financed by the Structural Funds.

To obtain information sheets on all these programmes, please contact L. Nigri, DG XVI/F/2 (fax: +32- 2-296.60.03) or consult the "ERDF programmes" pages of DG XVI's Internet site (electronic address: <http://europa.eu.int/en/comm/dg16/dg16home.htm>).

Countries / cities concerned		Community Initiative	Total public investment (ECU million)	Contribution of the Structural Funds (ECU million)
Austria	Valenciennes	Urban	9.7	4.9
Österreich	Graz	Urban	11.7	3.6

Cohesion policy and culture

On 20 November 1996 the Commission approved a communication (COM(96) 512) devoted to the inter-relationship between economic and social cohesion and culture, and in particular to the contribution that the cultural sector can make to employment.

Culture has an important contribution to make to regional development on three counts. First, it is a major source of jobs. The activities involved in developing the cultural heritage as well as the cultural industries themselves and cultural products create a large number of jobs both directly and indirectly. Secondly, cultural provision is one of the factors in the choice of locations for investment projects because it contributes to the image and attractiveness of a region. In this connection, culture can play a significant role for example in regenerating declining urban and depopulated rural areas. Thirdly, culture makes a positive contribution towards social stimulation and integration and in this respect helps to achieve social cohesion within the Union.

Among the financial instruments available to the Union, the Structural Funds provide the most finance for projects connected directly or indirectly with culture. It is estimated

that in 1989-93 more than ECU 400 million were devoted to projects directly relating to culture. In the current programming period (1994-99), the Structural Funds are funding this type of assistance through both regional development programmes (Objectives 1, 2 and 5(b)) and the Community Initiatives, as well as under innovative measures. For instance, the European Regional Development Fund has mobilized ECU 15 million to support 33 pilot schemes of interregional cooperation involving cultural and heritage projects.

In future, culture will need to be integrated more closely into regional and local development strategies in order to maximize the impact in terms of employment and innovation.

The potential of the Structural Funds in this field has not yet been fully exploited. The Funds should not only be used to preserve cultural heritage but can also support products and industries with a high growth potential, such as in the context of the information society.

The complete text of the above communication can be obtained from DG XVI/F/2 (fax: +32 2 230 49 15).



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