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10th anniversary of the Committee of the Regions

The Committee of the Regions celebrated its 10th anniversary at its plenary session on 17 and 18 November. Present at the ceremony, which was held at the European Parliament, were former Commission President Jacques Delors, who was one of the Committee's founding fathers, alongside José Manuel Barroso.

<http://www.cor.eu.int/en/activities/session.htm>

Innovation and regional development

The Tuscany Region, the ERIK network and the Organisation for Economic Cooperation and Development (OECD) held a conference on regional development and innovation on 25 and 26 November in Florence (Italy).

<http://www.eriknetwork.net/conf01.htm>

On 5–7 December the Stuttgart Region and the City of Karlsruhe welcomed the Fourth European Forum for Innovative Enterprises, organised by the European Commission's Enterprise Directorate-General.

<http://www.fourthforum.org/>

Danuta Hübner: cohesion and competitiveness are the two necessary ingredients for the Union's development

The Commissioner responsible for regional policy within the new European Commission is convinced that cohesion policy is both a pillar of economic and social progress and an essential lever for the Lisbon strategy.

Nominated as a Member of the European Commission in May 2004, Danuta Hübner took up her duties on 22 November. Between these two dates she travelled widely throughout the Union, never missing an opportunity to stress the importance of European solidarity and a cohesion policy that speeds up the convergence between the old and new Member States, reduces development disparities through its action in favour of regional competitiveness, and supports vital territorial cooperation.

At her hearing before the European Parliament's Committee of the Regions (REGI), on 28 September 2004, Danuta Hübner argued strongly in favour of the proposed policy reforms, which she had already supported during the tenure of the previous Commission. More specifically, she stressed that last July's legislative package will provide 'the appropriate framework for an effective cohesion policy', undertaking to do 'everything in my power to facilitate a successful conclusion of the discussions and to convince the Council to adopt the reformed policy in good time for it to come fully into force on 1 January 2007'.

A pillar and a method. Danuta Hübner regards cohesion policy as a 'pillar of economic and social progress' and stresses that the Union allocates one third of its budget (that is EUR 213 billion for the 2000–06 programming period) to this 'unique working method' that provides European added value. The main reason for the policy reform is to respond to the need to increase the EU's growth potential. It is also important not to see 'a conflict between cohesion and competitiveness: they are the two necessary ingredients for the Union's development'. What is more, cohesion policy is an essential instrument in realising the Lisbon and Gothenburg strategies for a competitive European economy which creates jobs and conforms to the principles of sustainable development.

Enlargement, cohesion and competitiveness. As the Commissioner repeated when addressing the Centre for European Reform (1), on 9 December in Brussels, 'Most of the funds are concentrated in the least prosperous regions. Still, a significant

share goes to areas that may not be the poorest, but where there is nevertheless scope for improving regional competitiveness and employment — for example, areas that have undergone substantial industrial restructuring. (...) With enlargement, we now have 13 "cohesion countries" instead of four. These are the Member States whose gross national income is below 90 % of the EU-25 average. (...) So, enlargement certainly means a big increase in the demand for Structural and Cohesion Funds. But enlargement is also an opportunity to increase the competitiveness and dynamism of the EU economy. Here, EU cohesion policy can play a starring role in raising aggregate productivity growth in the EU as a whole'.

Lisbon strategy. Danuta Hübner also explained that cohesion policy underpins the Lisbon process in two ways. 'First, it contributes directly to attaining the main Lisbon objectives for the EU as a whole. Second, cohesion policy can strengthen ownership of the Lisbon agenda within Member States, because it directly involves regional and local actors in the formulation of regional growth strategies'.

The future. In this respect, Danuta Hübner believes that the Commission's proposals for 2007–13 are an effective response to the challenges of enlargement and the Lisbon strategy. Whilst 78 % of financial resources are allocated to the poorest regions — with the greatest convergence potential — cohesion policy will also be pursued in other regions, outside the least favoured regions, to support regional competitiveness and employment.

Finances. The financial aspect clearly has an important role to play in achieving these political priorities. Speaking of the delay in implementing the Lisbon strategy, the Commissioner referred to the Kok report (2) on the strategy's mid-term evaluation: 'The Union should not only persuade Member States to implement Lisbon; it should back up its words as far as possible with financial incentives.' She also argued strongly for the reformed cohesion policy to be allocated the means to match the needs.

Three priorities and three values. As Danuta Hübner stressed when taking office, her mandate will be guided by three concrete priorities: managing the closing of the 1994–99 programmes; bringing the current 2000–06 programming period to a successful end; and preparing for a flexible transition to reform for the 2007–13 period. This transition will require ‘intense dialogue’ with all the partners, as while the Structural and Cohesion Funds are a ‘tangible symbol of the principle of solidarity’, the quality and effectiveness of actions are determined by their transparency. These are thus the three

values which the Commissioner plans to promote. Conscious that cohesion policy offers opportunities to address the Union’s citizens directly, she wants to engage in permanent dialogue with them at local and regional level so as to better explain to them the Union and the added value of its actions.

The texts of Danuta Hübner’s speeches and addresses are available on the Commissioner’s website: http://europa.eu.int/comm/commission_barroso/hubner/index_en.htm

Territorial cohesion and urban policy: the ministerial meeting in Rotterdam

Danuta Hübner addressed the meeting of EU ministers for regional policy and urban affairs in Rotterdam (the Netherlands) on 29 and 30 November.

‘We cannot ignore territorial disparities,’ stressed the Commissioner. ‘They affect seriously the overall competitiveness of our economy. In the context of the Lisbon strategy we must not only reduce these imbalances but also promote our diverse territorial assets (i.e. island, mountain, border regions).’

On the subject of regional cohesion, the participants reviewed the demographic, economic, social and environmental challenges facing the Union. They debated the likely effectiveness of the actions to be implemented over the next two to three

years, and ways in which Europe’s diversity can be utilised to benefit sustainable economic growth.

Urban policy discussions focused on the potential role of towns in the Lisbon strategy and the question of how urban areas can empower Europe. In this connection, the ministers announced a pilot project aimed at setting up a European network for the exchange of knowledge.

To find out more: <http://europa.eu.int/rapid/pressReleasesAction.do?reference=P/04/1414&type=HTML&aged=0&language=EN&guiLanguage=en>

Reform of cohesion policy: positive impact expected

Two recent studies put the European Commission’s proposals for cohesion policy reform into perspective.

A study coordinated by the Economic and Social Research Institute (ESRI) in Dublin (Ireland) provides an initial indication of the likely macroeconomic impact of the Structural Funds between 2007 and 2013 in the framework of the Commission’s proposed reform. The Institute looked at the 10 new Member States and two candidate countries (Bulgaria and Romania) as well as three of the original ‘cohesion countries’ (Greece, Portugal and Spain) and two Objective 1 macro-regions (the former East Germany and the Italian Mezzogiorno). Generally speaking, the study expects cohesion policy to have a substantial positive effect, given the relatively low level of infrastructure in the principal beneficiary countries and regions.

John Bachtler and Fiona Wishlade of the European Policies Research Centre (EPRC) at Glasgow’s Strathclyde University

(Scotland, United Kingdom) have also published a working document on the European cohesion policy debate. ‘Searching for consensus — The debate on reforming EU cohesion policy’ looks at the possible allocation of the funds to the various Member States. It also considers questions of budgetary savings, negotiations in the Council, and priorities in terms of future programming and expenditure. In their conclusions, the authors draw attention to a risk of conflict between the cohesion and Lisbon objectives. Setting priorities and choosing between ‘hard’ or ‘soft’ programming coordination are equally seen as important issues by the EPRC researchers.

ESRI study: http://europa.eu.int/comm/regional_policy/sources/docgener/studies/pdf/3cr/macro_impact.pdf

EPRC study: http://www.eprc.strath.ac.uk/eprc/publications_downloads.htm

(¹) Think-tank on the future of the European Union, based in London (<http://www.cer.org.uk>).

(²) Meeting the challenge — The Lisbon strategy for growth and employment, report of the High Level Group chaired by Mr Wim Kok, November 2004 (http://europa.eu.int/comm/lisbon_strategy/pdf/2004-1866-FR-complet.pdf).

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