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28 September 1983

DOCUMENT 1-755/83

## Report

drawn up on behalf of the Committee on Transport

on transport problems in the peripheral regions of  
the European Community

Rapporteur: Mr Umberto CARDIA

PE 83.296/fin.



At its sitting of 23 March 1981 the European Parliament referred the motion for a resolution by Mr PURVIS and others (Doc. 1-33/81), pursuant to Rule 47 of the Rules of Procedure, to the Committee on Transport, as the committee responsible, and to the Committee on Regional Policy and Regional Planning for its opinion.

At its meeting of 26 June 1981 the committee decided to draw up a report and appointed Mr Umberto CARDIA rapporteur.

The draft report was considered at the meetings of 11 July 1983 and 21 September 1983 and at the last-named meeting the motion for a resolution as a whole was adopted by 10 votes to 0 with 1 abstention.

The following took part in the vote: Mr Seefeld, chairman; Mr Kaloyannis, vice-chairman; Mr Cardia, rapporteur; Mr Buttafuoco, Mr Moreland (deputizing for Mr Cottrell), Mr Janssen van Raay (deputizing for Mr Hoffmann), Mr Klinkenborg, Mr Nikolaou (deputizing for Mr Lagakos), Mr Martin, Mr O'Donnell and Mrs Scamaroni.

The opinion of the Committee on Regional Policy and Regional Planning is attached.

The report was tabled on 23 September 1983.

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

MOTION FOR A RESOLUTION

on transport problems in the peripheral regions of the European Community

The European Parliament,

- having regard to the motions for resolutions:
  - . by Mr PURVIS and others on transport problems in the peripheral regions of the Community (Doc. 1-33/81),
  - . by Mr DE PASQUALE and others on the peripheral maritime and island regions of the European Community (Doc. 1-829/81),
  - . by Mrs BARBARELLA and others on the Mediterranean programmes (Doc. 1-1006/81),
  - . by Mrs EWING on an action programme for remote and sparsely populated regions and islands (Doc. 1-681/82),
- having regard to the reports:
  - . by Mr CORRIE on the peripheral maritime regions of the European Community (Doc. 1-113/79),
  - . by Mr BUTTAFUOCO on support for transport infrastructure projects of Community interest (Doc. 1-218/80),
  - . by Mr KLINKENBORG on the role of the Community in the development of transport infrastructure (Doc. 1-601/81),
  - . by Mr MOORHOUSE on bottlenecks in transport infrastructure and the different forms of intervention to be envisaged, and on Community support for transport infrastructure: evaluation of the Community interest for decision-making (Doc. 1-214/82),

- having regard to the data and proposals contained in the report by Mr Harris on the peripheral maritime regions and islands of the European Community (Doc. 1-105/83),
- having regard to the report of the Committee on Transport and the opinion of the Committee on Regional Policy and Regional Planning (Doc. 1-755/83),

A. Whereas:

- (a) despite efforts made hitherto at Community level, economic and social inequalities between the various regions of the Community have continued to grow, particularly during the decade 1970-80;
- (b) the situation has deteriorated still further as a result of the effects of the current recession, since in most of the peripheral regions economic decline has gone hand in hand with structural crises;
- (c) these inequalities and the segmentation of markets as highlighted by the accession of Greece to the Community are bound to become more pronounced with the forthcoming accession of Spain and Portugal;
- (d) the twenty-five regions of the Community with the lowest growth rates are all situated on the periphery of the Community and are subject to the further handicap of remoteness;
- (e) the poor quality of connections between central and peripheral regions adversely affects passenger and goods transport;
- (f) the impact of inadequate transport is felt in the peripheral regions in the form of higher production and transport costs, delays in the movement of persons and goods, more limited transport facilities and a lower general standard of service, all of which has a deleterious impact on the regional economy;
- (g) the island and non-European regions of the Community suffer even more severely the consequences of remoteness and difficult access to markets;



(h) the structural causes of this situation can be traced in particular to inadequate transport infrastructures and facilities, poor coordination between modes of transport, the limited number of connections to and from peripheral regions, inadequate business organization on the part of local transport concerns, and a degree of inappropriateness of existing Community provisions on transport to deal with the specific problems of remoteness;

B. Whereas also:

- (a) the Treaty establishing the European Economic Community lays down as one of its principal objectives harmonious development of economic activity throughout the Community as a whole by reducing the discrepancies between the different regions and the backwardness of the least advantaged;
- (b) harmonious, even and balanced development will only be obtained through a drastic reduction of remaining barriers throughout the Community, in particular those that affect the economies of the most remote regions;
- (c) in terms of the attention paid to it by the Institutions and its importance as regards the general aims of the Treaty, transport constitutes the second common policy of the Community after the agricultural policy;
- (d) inadequate implementation of common transport policy has led the European Parliament to initiate default proceedings against the Council;
- (e) while a modern and efficient transport system cannot, of itself, guarantee the development of the peripheral regions, it is nevertheless a fundamental condition of such development, allowing optimum use of all resources particularly the climate for the purposes of tourism and promoting closer economic and regional integration;

Affirms that:

1. The development of transport facilities as a whole between the central and peripheral regions, with a view to securing physical and economic continuity of the Community land mass and equal access to markets, involves the interests not only of the Member States to which these peripheral regions belong, but also the Community interest;

2. This development must be achieved through specific Community measures under the common transport policy as defined above, on the same scale and with the same financial resources as the actions aimed at eliminating traffic bottlenecks in the central areas of the Community; this applies particularly to intervention by the fund which will be set up to finance transport infrastructure;
3. Account must be taken of the need to provide transport links for and to the peripheral regions to ensure their development, when determining the fundamental axes of transport within and outside the Community, in the context of the common transport policy with particular reference to North-South links and routes across the Mediterranean;
4. The development of the quantity and quality of transport facilities affecting the peripheral regions must take due account of the principles of competition and harmonization which are the basis of the EEC Treaty and of the fact that, as stipulated by the Treaty under certain conditions, transport is a public utility service;
5. This development must be achieved initially by facilitating access for new public and private operators, and through improved incentives for competitiveness between various operators and businesses, in order to promote an increase in transport capacity, technological innovation, the modernization of vectors and fixed plant, the use of more suitable forms of transport and links between different modes of transport, the rationalization of transport concerns and, to this end, reductions in costs and fares in line with economical management;
6. Programmes and projects of the type mentioned in the previous paragraph, submitted by public and private bodies, should be given top priority and should benefit from Community assistance from all existing and future aid and loan facilities (Transport Infrastructure Fund, Regional Development Fund, Social Fund, EIB, NCI, etc.); in particular, aid from the fund being set up for transport infrastructure should meet the requirements of all the sectors, including sea and air transport (ports and airports);

7. Special support should be given to island regions by promoting scientific and technological research, introducing new and faster types of vessel (hovercrafts and other types currently being developed) and new types of aircraft suitable for the transport of large quantities of passengers and goods over medium distances; special aid should be given from the 'quota' and 'non-quota' sections of the ERDF for the introduction of new maritime vectors;
8. Improvements to the rail network, including sea routes served by ferries, should be carried through as an essential means of developing links with the peripheral regions, by promoting innovations in fixed plant and machinery aimed at increasing transport capacity, making journeys faster and safer, saving energy, preserving the environment and modernizing approach routes and related services;
9. The notion of transport as a public service needs to be redefined in the light of the provisions of the Treaty and the Community's attendant obligations, with the aim, inter alia, of achieving greater transparency in the budgets of undertakings which receive public funding;
10. In the context of the preparation of a common fares policy, with particular reference to rail fares, it is necessary to accept and extend throughout the Community the principle of a widely differentiated fares structure for passengers and freight on the basis of the distance covered, including sea routes served by vectors integrated in the rail network;
11. This principle should be based, essentially, on a more balanced, more transparent weighting and distribution between users - with special reference to users in remote areas - of general costs, economies of scale and secondary costs of travel, taking account also of the general need to improve access to the Community market for the peripheral regions and transport users in remote areas, so as to assist the development of undertakings;
12. In cases concerning transport links with the peripheral regions where, as a result of physical obstacles, sea or air transport has to replace land transport (by road or rail), the fares applied should be commensurate, or

at least aligned with those for the land transport (equivalent rail or road fares; as already applied in some countries);

13. In cases where the application of fares differentiated on the basis of distance (paragraph 11) and equivalent fares (paragraph 12) cannot be achieved through technological innovation and balanced and economic management, intervention in the form of subsidies by public authorities can be justified on the basis of the public utility of the service and the specific aims of regional development, although the need for the utmost transparency in respect of the aid given and the use made of it still applies;
14. Public intervention in the form of subsidies can also be considered compatible with the rules of competition in a balanced market, provided it aims to meet clearly-defined needs over a limited period of time (specific categories of passengers and goods);
15. In given cases and for the particular purpose of developing the peripheral regions, a measure preferable to fare subsidies and compatible with the rules of competition governing the Community market would be special concessions and franchises for the import and export of raw and manufactured materials of the kind provided for by the laws of various Member States;
16. In special cases, especially in island regions where transport conditions are particularly difficult, fares commensurate with virtual distances, calculated on the basis of special parameters, could be introduced, or maintained where these already exist;
17. In all the cases mentioned above relating to intervention by public authorities, such intervention must be compatible with the rules governing the market;
18. For as long as the present constraints on the Community budget and the current restrictions on the common transport policy persist, particularly in respect of the introduction of a uniform fares system, and in view also of the Community's priority commitment to transport infrastructure, the

burden or providing fares subsidies must of necessity be borne by the Member States; nevertheless, there is no reason why the Community should not shoulder part of this burden in the future;

19. No underdeveloped region can draw any benefit from protective barriers formed by constrictions and inadequacies in its transport systems, which restrict the use of resources and hinder general technological adaptation; however, steps must be taken to offset the immediate negative effects of the removal of these barriers through specific measures for the support, reconversion and improvement of trade and transport organization at regional level, the development of exports etc., in close cooperation with regional and local authorities;
20. A common policy for the unification of the Community's territory and market, aimed at encouraging the widest possible movement of persons and goods, depends on the implementation of a vigorous social transport policy, in order to avoid imbalances, discrimination and injustice detrimental to users and workers in the transport sector and to the economies of the peripheral regions; in particular, a close study, including pilot projects, should be made of the organization of the work of employees in the transport sector (fixed and mobile installations), helping them as far as possible to remain abreast of technical developments and encouraging their participation in undertakings;
21. Calls on the Commission to study methods of implementing the proposals contained in this resolution, particularly as regards the budgetary implications, taking account of the findings of Peripheral Maritime Regions, the conclusions of the Conference of Regional and Local Authorities and the data and findings produced by the enquiries and the hearing held by Parliament's Committee on Transport;
22. Instructs its President to:
  - forward this resolution to the Commission and Council of the European Communities and to the relevant ministerial departments with a view to its being forwarded to their elected assemblies and authorities in the regions concerned;
  - inform the Conference of Peripheral Maritime Regions and the Conference of Regional and Local Authorities of this resolution.

EXPLANATORY STATEMENTI - INTRODUCTIONThe EEC Treaty, the peripheral regions and the common transport policy

The subject matter of this report on transport problems in the peripheral regions of the Community will be considered in relation to three fundamental factors.

1st factor

1. Article 2 of the Treaty establishing the European Economic Community lays down one of the essential objectives as being 'to promote throughout the Community a harmonious development of economic activities'.

The objective of forming a single integrated, homogeneous economic whole is explicitly stated in one of the preambles to the Treaty : 'anxious to strengthen the unity of their economies and to ensure their harmonious development by reducing the differences existing between the various regions and the backwardness of the less-favoured regions'. The will to achieve a balance between the different geographical and economic components of the Community has unfortunately clashed with the experience of harsh realities. The gulf between the different regions of Europe has not only not been reduced but has shown a marked tendency to widen. The world economic crisis has served only to accentuate this movement by discriminating even more forcefully against the less-favoured regions.

2. Analysis of the most recent statistics (1) shows that in the period 1970-1978 the ratio of per capita income as between the ten richest and ten poorest regions of the Community (not including Greece) rose from 3.05 to 4.32 (2).

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(1) Eurostat - Regional Statistics, 1981

(2) Full statistical tables can be found in Annex II

## 2nd factor

3. The twenty-five European regions with the lowest growth levels are all located in the periphery of the Community.

In its 'First periodical report on the economic and social situation in the regions of the Community' published in 1981 (1), the Commission states 'the relative economic development of regions depends to a very considerable extent on their geographical accessibility to Community-wide economic activity, i.e. the degree of peripherality or centrality of regions ... wide regional differences exist within the Community in regional comparative advantage with respect to economic accessibility to the Community market. Not surprisingly, the most disadvantaged regions are located in southern Italy, Ireland and Northern Ireland'.

This characteristic is not of course the only variable that explains the situation in the least-developed regions of the Community.

4. We are not unaware of the structural problems that affect these regions and hinder their economic and social development. We appreciate moreover that certain less peripheral regions also experience problems of insufficient development.

The point is simply that remoteness from central areas is a sufficiently important handicap in itself to be given priority in regional development activities.

5. The importance of the remoteness factor has grown with the entry of Greece into the Community, the entire country being at the periphery. The enlargement of the Community to include Spain and Portugal will also cause serious problems as a consequence of their remoteness from central locations. The Committee on Transport had occasion to raise this problem in its opinion for the Political Affairs Committee when drawing up the interim report by Lord DOURO on the forthcoming accession of Spain and Portugal to the Community.

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(1) The regions of Europe (COM(80) 816 final - p. 54-55, paragraph 4.4. This document was drafted before Greece joined.

3rd factor

6. Not only did the EEC Treaty fix harmonious development of the Community as a whole as one of its principle objectives, as we have just stated, it also provided one of the mechanisms for achieving this goal in the form of a common transport policy.

The latter ranks as a second-order constitutive instrument immediately after the Common Agricultural Policy. It is clear that the authors of the Treaty were fully aware that the development of trade within the European area would require an effective European transport policy. But scarcely any progress has been made with this policy.

7. We shall not dwell on the delay in introducing Community legislation in this field that has led the European Parliament to initiate default proceedings against the Council before the Court of Justice of the European Communities. The absence of a real common transport policy has made itself felt to a large degree in the less-favoured regions, especially in peripheral regions.
8. In particular, the establishment of a specific fund for infrastructures, as the European Parliament has been urging for many years (1), would have made it possible to support a good number of projects for improving transport services between peripheral regions and the centre of the Community.
9. By setting out these three aspects as a preamble to this own-initiative report we hope to have made it clear that the study of the problems of transport in the peripheral regions is more than just one of the many aspects that a common transport policy might assume, but should be regarded fundamental to the wider objectives of the EEC Treaty as a whole.

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(1) Since the report by Mr NYBORG on support for transport infrastructure projects of Community interest (Doc. 377/76)



II - GENERAL ASPECTS OF PROBLEMS OF TRANSPORT SERVICES TO AND FROM  
PERIPHERAL REGIONS

A. Work of Community bodies and other European organizations

Work of the European Parliament

10. To some extent this report is an integral part of the initiative taken some years ago by the former Committee on Regional Policy, Regional Planning and Transport. That committee had considered three kinds of problem regions : regions situated at the Community's internal frontiers, maritime or coastal regions of the Community, and, finally peripheral regions. The first category was considered in two reports drawn up by Mr GERLACH (1), and the second in a report by Mr CORRIE (2). This report on the peripheral regions is the third unit in the trio, although, being drawn up by the Committee on Transport, it is concerned only with the transport problems of the remote regions.
11. This also reflects some significant developments in the European Parliament's approach to this subject.

The first of the above reports by Mr GERLACH dealt only superficially with transport problems. Subsequently, the report by Mr CORRIE on the peripheral maritime regions of the European Community dealt with them in greater detail, stating: 'Transport. This includes not only the problem of the extra costs involved in goods and passenger transport from the regions to a developed central point, but also the problem of inadequate transport within the region itself and the particular problem of extra costs in time and money which is posed for island communities'. (3)

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(1) Doc. 467/74 and Doc. 355/76

(2) Doc. 113/79

(3) Report by Mr CORRIE on the maritime peripheral regions of the European Community, Doc. 113/79, p. 11, paragraph 9(a)

In his report last year on bottlenecks, our colleague, James MOORHOUSE, referred explicitly to the problems of the peripheral regions, stating that a common transport infrastructure policy was of major importance for the development of the disadvantaged regions, in particular of regions located at the periphery and at certain internal frontiers of the Community. (1)

The European Parliament's interest in the problem is also reflected in recent written and oral questions to the Council and the Commission (2) and in different motions for resolutions, in particular that by Mr PURVIS and others on transport problems in the peripheral regions of the Community (Doc. 1-33/81) which helped to initiate this report.

It is therefore clear that the European Parliament has shown a growing awareness of the problem.

#### Work of the Commission

12. As already stated, improvement of transport services between the centre of the Community and the periphery has not really been the object of any specific study, let alone general concrete proposals by the Council. The principal Commission contribution can be found in the memorandum of 7 November 1979 on the role of the Community in the development of transport infrastructures. (3)

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(1) Report by Mr MOORHOUSE on bottlenecks and the different forms of intervention to be envisaged, Doc. 1-214/82, paragraph 2 of the motion for a resolution

(2) The most recent include:

- . Written Question No. 1463 by Mr BUCCHINI to the Commission:  
Aid to peripheral regions
- . Written Question No. 148/81 to Mrs EWING to the Commission:  
Definition of peripherality region
- . Oral Question No. H-170 by Mrs EWING:  
Aid to trans-shipment vessels for peripheral regions
- Motion for a resolution by Mr DE PASQUALE and others on the peripheral maritime and island regions of the Community (Doc. 1-829/81)
- Motion for a resolution by Mr DE GUCHT on the setting up of free zones in the peripheral, less-developed or disadvantaged regions of the Community (Doc. 290/81)

(3) A transport network for Europe - policy outline - Commission Memorandum, Bulletin of the European Communities, Supplement 8/79

13. Here the Commission recognizes the importance of developing transport infrastructure in the remote regions, the isolation of which must be overcome by linking them to the main centres of the Community by rapid and modern transport services enabling the handicap of distance to be reduced as far as possible.

It points, by way of example, to a number of services to peripheral regions that might be eligible for financial aid: services between the North and West of Ireland, direct connections to break down the isolation of East Anglia, in particular from the ports, and services between the Mezzogiorno and the Italian islands.

#### Work of other European organizations

14. Two bodies have given special attention to the problems of transport in the peripheral regions : the Council of Europe, and in particular the Conference of Local and Regional Authorities (CLRA), and the Conference of Maritime Peripheral Regions of the European Community (CMPRC).

#### Conference of Local and Regional Authorities

15. Since the early 70s this conference has drawn up a number of interesting communications highlighting the transport difficulties facing remote regions, giving rise to two basic resolutions.
16. The first, the Declaration of Galway of 16 October 1975 (1) stresses that Community intervention, as regards both policy for renewal and emergency aid to peripheral regions, must take the form of a massive European programme of major infrastructural works on communications to and from peripheral areas of Europe.

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(1) First Convention of Regional Authorities of Peripheral Regions in Europe, GALWAY (IRELAND) - 14-16 October 1975 - Conference of Local and Regional Authorities in Europe - Council of Europe - Declaration of Galway, paragraph 2

17. The second, the Declaration of TENERIFE of 9 April 1981 (1) relates more specifically to the island regions. It states in particular that policy on fares and charges is the indispensable link in infrastructural and technological efforts to achieve the objective of territorial continuity. Islands should enjoy the same fares-structure for sea and air transport services as would apply if they were joined to the mainland by an overland route. This is an essential condition if the islands are to keep up with the pace of mainland development.
  
18. Also relevant is Resolution 124 on the European network of arterial routes (2) which contains a number of proposals for the improvement of transport services to and from the peripheral regions.

The Conference of Peripheral Maritime regions of the European Community

19. Established in 1973, this Conference stresses the importance of achieving a transport policy more favourable to the peripheral regions in Europe.

A good number of studies have been conducted under its auspices and have provided a far-reaching analysis of the transport-related obstacles facing the remote regions and some basic consideration of possible solutions. (3)

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- (1) Conference of European Island Regions - Canary Islands (SPAIN) 7-10 April 1981 - Conference of Local and Regional Authorities in Europe Council of Europe - Declaration of Tenerife, p.3
  
  - (2) Sixteenth session of the Conference of Local and regional Authorities in Europe, resolution 124 based on the report by Mr CHENARD
  
  - (3) Saint-Malo Conference, 21,22 and 23 June 1973, minutes of proceedings. Comparative regional development study, CPMR 1977  
Report by Mr Giuseppe SERRINI, executive delegate for transport, CPMR 1979

20. This resulted in a joint resolution on transport policy on 23 September 1980 as a follow-up to the 1979 Commission Memorandum referred to above.

The CPMR noted on the subject that the absence of sea and air transport services constituted a major and unacceptable omission, not only from the point of view of the peripheral maritime regions themselves, in particular the islands, but also because it gave a quite false perspective for a future European transport network in which sea and air transport could be factors determining concentration. (1)

The CPMR also attached special importance in this resolution to services between the peripheral regions themselves.

B. Method of inquiry

What is a peripheral region?

21. While the term 'peripheral region' may appear to be self-defining, it will be as well to give it the most precise definition possible at an early stage in this report.
22. In its first periodic report on the economic and social situation in the Community (2), the Commission, referring to a study commissioned from the geography department of Cambridge University, stated that the concept of 'peripherality' entailed economic as opposed to mere physical distance.
23. A peripherality index based on the sum of the distances separating a region from the other regions of the Community, each distance being weighted in terms of gross internal product per capita, can be calculated for each region.

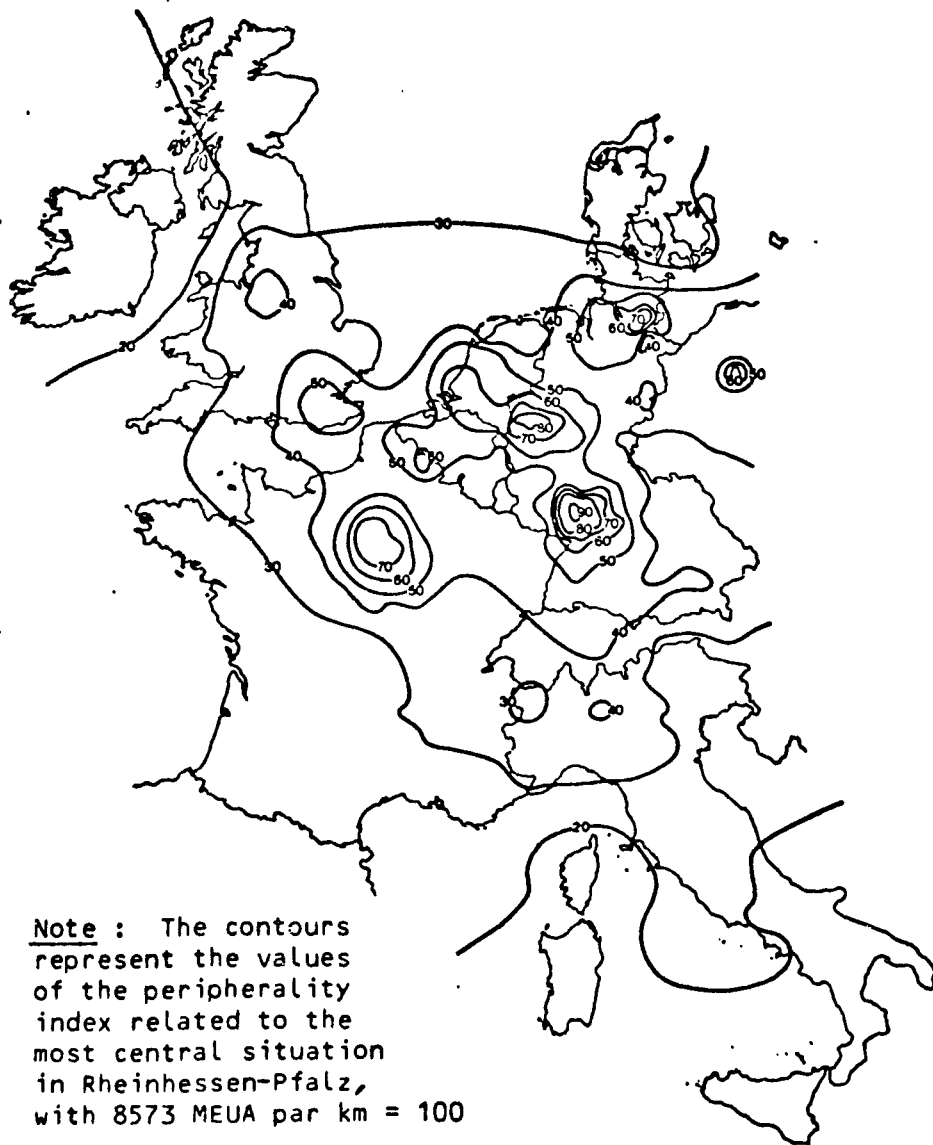
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(1) Resolution on common transport policy CPMR, 23 September 1980, paragraph 2(6)

(2) COM(80) 816 final

A map has been drawn up (see below) on the basis of calculation for the different regions for 1976, showing peripherally index contours for the Community (not including Greece).

Map 4.4  
Peripherality 1976



Source : COM(80) 816 final, page 56

The map highlights the important differences between the regions in terms of the relative advantages derived from ease of economic access to the Community market.

24. We shall not dwell on the scientific aspect of this method which has the advantage of providing a uniform criterion of peripherality, but which by its very nature can lead to paradoxical situations, as one of our colleagues, Mrs EWING, has pointed out in a written question to the Commission (1).

25. We therefore prefer an approach which, although less technical, seems to us to get closer to the very different economic and social realities we are called on to consider.

It would appear reasonable to classify the peripheral regions in terms of four categories according to their degree of remoteness from central areas and thus the difficulty of reaching them.

#### Non-central regions

26. This first category covers regions that are simply remote from the principal economic centres of Community Europe. The basic handicap in this case is the effect of distance as such on existing transport infrastructures, which may well be adequate.

27. While these regions are 'peripheral' in relation to major Community markets, this may well not be the case when they are considered in their national context or other than in Community terms; this applies in particular to certain regions in the North of Europe.

#### Isolated regions

28. In these regions remoteness is compounded by a particular topographical configuration (natural barriers) making transport long and difficult. To improve conditions of access to these regions would entail major infrastructural works.

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(1) Written Question No. 148/81 - OJ C 180/17, 22.7.81

### Island regions

29. Islands are further penalized by the break in territorial continuity. Island dwellers are unable to use their private means of transport and must resort to air and sea services.

Apart from the manifest financial aspect, there is also the problem of transport capacity and availability of services.

### The non-European regions of the Community

30. It is of course questionable whether these territories should be included in the class of peripheral regions, having regard to the highly specific nature of their problems.
31. It should be borne in mind however that, by virtue of Article 227 of the EEC Treaty, a good number of provisions, in particular those concerning the free movement of goods, apply to these non-European territories, and that they have to rely on near-exclusive communications with Europe by virtue of the very sovereignty exercised by the Member States on which they are dependent.
32. This report will be confined, however, to identifying their transport problems and defining the general principles under which they might be resolved.

### Scope of the study

33. The scope of this report will be restricted to transport to and from the peripheral regions.

It seems hardly possible to focus on the latter without disregarding transport within the peripheral regions themselves, important though it is. However, in some cases, in particular when whole countries constitute a group of peripheral regions, e.g. Greece, it will sometimes be necessary to touch indirectly on internal transport problems.

It is, however, arguable that this is a question more of national than Community authority, even if certain specific activities could be conducted under European regional policy.



### Method of inquiry used

34. An abundant literature exists, both in the form of university studies and the work of national or European bodies.

Your rapporteur sought however to adopt a more concrete approach based on three main activities.

### Questionnaire

35. A questionnaire, the text of which was submitted to the Committee on Transport on 2 October 1981, was forwarded to local authorities in more than 100 regions that may be considered as peripheral in seven Community countries (Denmark, France, Germany, Greece, Ireland, Italy, the United Kingdom). These regions were chosen as being representative of the features of peripherality as a whole and reflecting the diversity of the problem as faithfully as possible.

By the same token a degree of balance was sought as between regions of the North and South of Europe.

36. A total of fifty-eight replies were received to the 105 questionnaires sent out, a response rate of better than 55%, which is significantly higher than the averages generally recorded for this type of investigation and is thus a clear indication of the seriousness of the problem and the concern it arouses.(1).

### Organization of a hearing

37. On the basis of replies received to the questionnaires and having regard to the stage reached in current work, it proved possible to organize a hearing on 2 December 1982 which was attended by 5 experts in transport problems from different Community countries. On this occasion a number of often widely varying approaches to ways and means of ending the isolation of peripheral regions were discussed (2).

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(1) The text of the questionnaire and the list of regions to which it was sent is appended as Annex III

(2) The list of experts invited and a summary report of their statements is appended as Annex IV

### Talks with service operators

38. In order to complete our information and maintain the emphasis on the most concrete elements, a number of talks were held with service operators in the peripheral regions and those responsible for local organizations.
39. On the basis of the foregoing as a whole your rapporteur proposes to deal in turn with:
- the current situation in transport services to and from peripheral regions,
  - guidelines for a policy to improve services to and from peripheral regions,
  - the programme of activities required.

### III - THE PRESENT SITUATION IN TRANSPORT SERVICES TO AND FROM THE PERIPHERAL REGIONS

40. In general terms it is tempting to consider the problems of transport to and from the peripheral regions in terms of two kinds of handicap, namely longer journey times and higher costs.

These are in fact the main aspects that emerge from a rapid preliminary reading of the replies to the questionnaire to local authorities in the regions concerned.

41. It would appear however that the reality is much more complex and that an intricate series of interacting causes needs to be analysed before the fundamental origins of the handicaps suffered by the peripheral regions can be determined.

#### A. Regional handicaps

##### Passenger transport

42. The living conditions of the inhabitants of peripheral regions are directly affected by transport problems.

First and most obviously, those living in peripheral regions must pay a higher fare for travel to a central location; their journey is also highly time-consuming.

Where the time handicap can be alleviated, e.g. by air travel, the financial handicap increases substantially, so that the choice available to travellers depends largely on their social situation.

43. In general terms also, passenger transport in the peripheral regions is characterized by significantly lower frequencies of service than in central regions as well as by longer journey times. Access to central regions often requires numerous breaks of journey and changes from one mode of transport to another.
44. A further handicap is also suffered in island regions. Here, the use of private means of transport is excluded unless the vehicle itself is transported by ship, adding substantially to the cost of the journey.
45. The distinction must also be made between the larger islands (Sardinia, Sicily, Corsica) where a reasonable standard of service is available and the smaller islands (Aegean Sea islands, Western Isles), many of which are severely disadvantaged.
46. Although an improved if not adequate level of service to island regions may be provided in the tourist season, services are often reduced to the strict minimum at other times.

It must therefore be appreciated that the mobility of the inhabitants of peripheral regions is directly affected by these transport problems.

#### Goods transport

47. The same handicaps that apply to passenger transport obviously apply also to goods transport. But whereas the handicap in passenger transport can be considered as affecting only individuals, in the case of goods transport it is a collective handicap since it affects the whole economy of the peripheral regions.

43. the handling of costs also affects imports of primary products used by local undertakings and exports of finished or semi-finished goods.

Financial quantification of these handicaps is more difficult. Where local authorities made an issue of the extra cost of transport, estimates vary widely. They oscillate between 20% and 60% in the case of Sicily, Sardinia, Northern Ireland and Scotland, on the basis of information received.

49. In many cases prices per tonne/km are much higher than in the central areas, in particular when a sea-crossing is required.

The Loire region in France has conducted a provisional study of the cost of international road transport from the French periphery, details of which can be found in Annex II, and which shows in some detail the drawbacks of a poor location in relation to central areas of the Community.

50. Your rapporteur is aware that the effect of transport costs on the final value of a product is a matter of some controversy. On the basis of a number of studies, the average cost of transport may be put at 5%, a figure that would weaken considerably our argument concerning the impact of transport costs on the peripheral regions. This minimalist approach can be countered by the following arguments:

- Transport costs vary considerably according to product. The above general average of 5% covers disparities ranging from 1% in the case of the aeronautics industry to more than 20% in the case of certain building materials (1).
- Transport costs also vary significantly from one region to another, and even within peripheral regions according to the degree of peripherality.
- The impact of transport costs on the final value of a product is a fairly imprecise concept. It would seem to be more accurate to calculate the impact on the value of production without including wholesalers' and retailers' margins.

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(1) Details of the relevant calculations can be found in Transport Policy and Decision Making, Vol. 1, 1980, article by Clifford Sharp, page 6

51. Your rapporteur considers that transport costs incurred by peripheral regions constitute a real burden on undertakings in the peripheral regions for which they must compensate by substantially increasing productivity if they are to remain competitive.

52. The problem of goods transport can also be illustrated in terms of transport capacity.

Remoteness is responsible for poor utilization of capacity in general, be it by ship, train or road.

53. Longer journey times, as well as being a negative factor in themselves, often mean that delivery dates cannot be kept to, which can impose severe penalties on regional suppliers.

B. The direct impact on the regional economy

54. Prices of ordinary consumption goods tend to be significantly higher in most peripheral regions than in central regions. As well as being one consequence of transport costs, this situation is also due to the difficulty of achieving reasonable economies of scale, demand often being restricted to relatively small quantities.

55. There are also fairly frequent problems of stock availability, both in retail trade and in industrial goods, owing to irregularity in deliveries.

The rise in transport costs is also cause for concern in itself when the impact of the very steep increases in fuel costs since 1974 on transport problems is taken into account.

56. The majority of the local authorities questioned stressed that their peripheral location was a highly significant brake on investment and thus on the establishment of new industries, especially in the present period of economic recession.

57. Nor do the economies of the peripheral regions receive the necessary stimulus in terms of competition. Moreover, being located at a distance from the main business centres, they are excluded from the informal information networks that enable undertakings to take full industrial and commercial advantage of their situation.

C. Structural causes

58. Looking beyond the immediate handicaps, the root causes of transport problems of peripheral regions should be sought in a number of structural factors.

Poor overall quality of infrastructures and services

In the majority of cases studied transport infrastructures display fundamental deficiencies.

Road-transport infrastructures

59. The regions questioned pointed most frequently to the inadequate condition of roads leading to central regions.

In varying degrees, the highway infrastructure of the peripheral regions is handicapped by the absence of direct routes, inadequate road capacity or simply the bad condition of the road surface.

This situation has a direct impact on delivery deadlines by lowering transport turnover time.

60. The consequences are also damaging to vehicles, which depreciate prematurely.

The extreme case is certainly that of Greece, in terms both of national transport and of transport between regions.

## Rail-transport infrastructures and rolling-stock

61. The general financial difficulties experienced by railway undertakings in the European Community as a whole are greatly exacerbated in the peripheral regions on account of low population densities and less intensive economic activity. This is reflected in railway services displaying a particularly strong imbalance as between costs and receipts. The national or regional authorities faced with this problem show little inclination to carry out the necessary modernization work (track improvements, electrification, construction of more direct lines), and more and more regional or local branch lines are being closed down.
62. Moreover, faced with current low levels of demand, frequencies are reduced to the basic minimum and timetables are not always best adapted to the potential needs of local communities.

Numerous examples of this factor could be cited in Scotland, in southern Italy and in Greece.

## Port infrastructure and shipping

63. The most obvious inadequacies in this field affect services to and from the smaller islands, although connections to the larger islands are not always free of certain serious inadequacies.
64. A good many ports cannot be used to their full extent owing to the inability of local authorities to undertake extensive modernization work: deepening, jetty construction, container-port construction, warehousing premises.
65. The average age of vessels used for these crossings is high and their capacity is not always compatible with local transport requirements. The use of outdated vessels also affects loading and unloading times.

## Airport infrastructure and air services

66. Somewhat paradoxically, airport infrastructures are on the whole more satisfying. Certain improvements could of course be undertaken but except in a few specific cases there would appear to be no serious problems in this area.
67. Air services however are most often restricted to regional and/or national centres.

The removal of institutional obstacles to allow direct services to foreign countries is frequently pinpointed as an essential requirement, especially in the case of the British Isles and Denmark.

68. Consideration of infrastructure problems would be incomplete without referring to the general problem of bottlenecks affecting a number of peripheral regions, such as the Messina Straits crossing between Sicily and the Italian mainland, the Friuli-Veneto region in the North of Italy, or the Fehmarnbelt between Germany and Denmark, etc.

It is unfortunate that the work of the Commission has not been aimed more specifically at projects affecting the peripheral zones.

## Coordination between different modes of transport

69. As we have already indicated, journeys in peripheral regions require frequent changes in mode of transport, and it is clear that connections are relatively poor and that integrated transport systems have been very slow to develop.

## The limited extent of connections between peripheral regions

70. The present economic structure of transport services is such that remote regions are linked almost exclusively to their national centres.



Connections between peripheral regions are practically non-existent. In some cases this results in sheer economic nonsense; for example, exports of citrus fruits from Corsica to European countries are all transited through the port of Marseilles, even when their final destination is the North of Italy, which is directly accessible by existing sea-transport services.

71. Another, different example can be found in trade between Greece and Europe, which is not transited through southern Italy owing to lack of connections and inadequate port infrastructures.

In many cases the obstacles restricting services to a number of regions are of an institutional nature.

72. The case of Reunion Island (French Overseas Department) is also typical of certain problems experienced by non-European territories of the Community.

Transport services between Europe and Reunion Island are provided exclusively by the French national company Air France. Three European companies, Alitalia, Lufthansa, and British Airways cannot make stopovers on the way to Mauritius.

An identical situation applies to maritime services which are also strictly limited and lead to near-monopoly situations. In general terms the same phenomenon applies to non-European territories of the Community as to island regions, though to a considerably heightened degree, i.e. it entails 'privileged' services between a Member State and a dependent region; although a minimum service is provided, it is a far cry from the full range of transport facilities that would allow these territories to embark on the process of real diversification essential to their economic development, having regard to their totally peripheral geographical situation in relation to Europe.

#### Poor organization of transport operators

73. More particularly, road transport undertakings display two principal characteristics: they are small-business undertakings and therefore of small size and limited numbers, and are often poorly organized among themselves.

74. Noted characteristics are the failure of undertakings to group their activities so as to provide an efficient service and organize shifts that would allow excessively long journeys to be broken down, with suitable arrangements for lodging and relieving drivers for example.

Poor harmonization of services leads to a fairly anarchic situation, both in terms of vehicle-utilization and speed of service.

This is a dominant feature of road transport, and was particularly stressed by heads of undertakings interviewed.

75. This situation also has an impact on the organization of return loads for truckers. This is a recurrent problem that tends to raise the cost of transport significantly in peripheral regions.

On account of the relatively low levels of demand and of inadequate cooperation, undertakings are generally not in a position to secure significant return loads.

#### Problems of Community integration

76. In the answers we received from local authorities, attention was drawn to the restrictive impact of certain provisions of Community rules and regulations on transport.

Two types of problem were most frequently referred to.

#### Social regulations on road transport

77. Regulations concerning driving times, rest periods, crew composition, tachographs, etc. were interpreted by a number of peripheral regions as having a penalizing effect. Initially intended to secure better social protection for workers in road transport and to improve transport safety, implementation of these measures in the peripheral regions appears to have had a perverse effect. The handicap of having to cover much longer distances, sometimes entailing a sea crossing, brings with it very considerable difficulties in keeping to these standards, a factor that has both economic and social consequences.

The difficulties associated with these problems must therefore be considered in full detail so as to reduce as far as possible the handicaps created both in social terms and in terms of transport costs.

Rules and regulations concerning Community quotas for the transport of goods by road between Member States

78. The Community quota system was initially one of the mechanisms intended to give an impetus to trade and eliminate unequal treatment as between transport undertakings.

The extremely limited character of the actual Community quota (5% of intra-Community traffic) has significantly restricted its scope, in particular for the most remote regions, which might have benefited from improved conditions to maintain flexibility of services and productivity in the use of vehicles, in respect of which they are highly vulnerable, as already stated.

Even under current arrangements, the Community quota offers them very little advantage.

79. Firstly, and allowing for the allocation of Community authorizations between Member States, it is not possible to differentiate as between peripheral regions or to operate distance-related correctives; this applies in particular to the South of Italy, the regions of south-west France, the North of the United Kingdom and Northern Ireland.
80. Moreover, the relatively low levels of economic activity in the most remote countries (Greece, Ireland), means that they are eligible for only a small number of Community authorizations. The Committee on Transport has taken taken up this point in previous reports. The only result hitherto has been the allocation, for 1981, by the Council, in its decision of 22 March 1982, of additional Community quota authorizations for these two countries (1).

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(1) Regulation EEC 663/82 of the Council - OJ L 78/2

81. The nature of the handicap has been quantified by the Commission (1); its own figures show for example that average access time by road transport for each country to the centre of the Community is 29.8 hours for Ireland, 20.3 hours for the United Kingdom, 17.9 hours for Italy, as against 4.8 hours for Germany, 5.7 hours for Belgium and 7 hours for the Netherlands.
82. Community rules and regulations therefore have in effect a tendency to aggravate a situation that is already made extremely difficult by the small scale and poor business organization of transport undertakings in peripheral regions.
83. The foregoing outline of transport problems is by no means an exhaustive one, if only because it necessarily represents a highly generalized approach to the problem. It would be appropriate to consider the combined impact of the problems outlined on a number of specific regions, and their interaction with local economic problems.

The foregoing account also gives some indication of the size of the task to be accomplished, and this in turn leads us to propose a global approach embracing all the aspects that have been considered.

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(1) COM(81) 520 final

#### IV - GUIDELINES FOR THE IMPROVEMENT OF SERVICES TO AND FROM PERIPHERAL REGIONS

##### A. General characteristics of policy to be undertaken

###### The need for Community action

84. The first question that must be posed is whether the solution to a particular problem necessarily requires action on a European level.

It may well be considered that these problems should as far as possible be resolved in national terms, and be subject to Community intervention only where they have direct bearing on intra-European trade. Under this approach, the Community contribution would be a highly marginal one and would be made through the different funds (Regional Fund, Social Fund, Guidance Section of the EAGGF).

85. A different approach, and that which we prefer, would be to consider transport services to and from the peripheral regions as a whole in relation either to the national state concerned or to other regions of the Member States, in accordance with the needs of economic development.

This approach is of course a more ambitious one, but it also happens to be more realistic. Limited and fragmented action will not solve the problems of peripheral regions we have described. An effort to achieve harmonization is absolutely necessary if the concept of competition is to remain a feature of the Community market. Action to help the peripheral regions must be conceived without differentiation as between the different Member States.

###### A policy to improve transport as part of common transport policy

86. If the concept of the overall approach to the policy to be implemented is accepted it is apparent that the latter can only be conceived under a transport policy based on the recognition of different situations in transport that call for differentiated responses.

87. Each measure taken under common transport policy must take into account the impact on transport services to and from the peripheral regions if the principle of equality of treatment, in terms of results, is to be applied to the common transport policy.

B. Principles

88. Action to improve transport services to and from peripheral regions should not be considered as privileges to be granted to these regions but as the pre-condition for establishing real conditions of competition between the different regions of the Community.

It is thus a question of restoring equilibrium in transport as between the peripheral regions and the central regions.

89. Transport improvements must not be allowed to aggravate existing paternalistic tendencies in relations with the central regions.

It is an established fact that one consequence of certain infrastructural improvements in less advanced regions can be to heighten expectations in the poorest regions of being able to emulate the richest.

90. For this reason the emphasis should rather be on diversifying transport services to and from the peripheral regions, in particular by setting up trans-frontier services, which are mostly absent for historical reasons, though without falling into the trap of trying to support wide-ranging and costly networks.

Achievements to date in this area have been fairly conclusive. There is the example of the services set up in 1973 between Brittany (France) and the South West of England by the Brittany Ferries Company, resulting in the creation of a hitherto totally non-existent shipping route that proved particularly valuable for freight transport. In terms of transfrontier services to be promoted, mention should be made of a service between Western Greece (Igomenitsa) and Southern Italy, between Corsica (France) and Sardinia (Italy), in particular as regards tourism.

91. The difficult economic conditions in the peripheral regions (low population density, relatively low levels of economic activity) create a situation of permanent imbalance in the accounts of transport undertakings providing services between these regions and central regions.
92. This development was in fact anticipated in Article 75(3) of the EEC Treaty which stipulates that 'where the application of provisions concerning principles of the regulatory system for transport would be liable to have a serious effect on the standard of living and on employment in certain areas and on the operation of transport facilities, they shall be laid down by the Council acting unanimously'.
93. In this connection the Council on 26 June 1969 promulgated a regulation (No 1191/69) on action to be taken by the Member States in connection with obligations inherent in the concept of public service in the field of transport by rail, road and navigable waterway, a fairly summary document, the existence of which scarcely seems to have had any significant impact.
94. The provision of adequate transport services for access to peripheral regions is thus closely bound up with the question of obligation to provide a public service. This obligation should not however become an obstacle to competition between different forms of transport and between transport undertakings in the Community, and should be considered in the context of improving the financial situation of national transport undertakings.
95. Despite certain endeavours by the Commission, such as its recent proposal to the Council for a regulation amending Regulation (EEC) No 1191/69 on action by Member States concerning the obligations inherent in the concept of a public service in transport by rail, road and inland waterway (1), the fact is that progress in this area has been extremely slow.

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(1) Report by Mr DOUBLET - Doc. 1-244/81

96. It is clearly necessary to improve clarification of the different forms of aid granted at national, regional or local level and to establish standards of obligation to provide a public service, having regard in particular to services to and from peripheral regions. This will be an essential condition if progress towards coherent and equitable improvements in transport services is to be made.
97. The specific transport needs of island regions of the Community and of non-European territories also need to be approached in terms of the concept of public service. As already indicated sea-crossings constitute one of the most striking handicaps in terms of time and cost. In addition to the technical improvements that might be envisaged, the principle of 'territorial continuity' should be fixed as an objective.
98. Islands would thus be treated for the purposes of air and sea fares and charges as if they were linked to the mainland by an overland route. Territorial continuity is approached in some countries, e.g. French and Italian ferry services to Corsica and Sardinia. In both these countries there is a degree of approximation to railway fares over the same distance.

In Scotland, with its numerous Western Isles, territorial continuity is currently being sought in the form of a Road Equivalent Tariff (RET) under which charges would be calculated according to a formula incorporating vehicle length, length of journey and a toll index (1). As with the concept of public service, the objective of territorial continuity should be considered from the perspective of common rules to be set down for the peripheral regions as a whole.

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(1) Two especially interesting studies may be consulted: 'Sea Transport to the Scottish Islands - HIDB response' Highlands and Islands Development Board, April 1980. 'The Future of Ferry Services in the Highlands and Islands a development strategy' - Highlands and Islands Development Board, July 1980.



99. Taking the concept of territorial continuity a stage further leads to the principle of virtual distance. This would mean correcting the effect of remoteness by calculating fares on the basis of an arbitrary distance.

This is an interesting concept that should be studied carefully on the basis of existing examples of its application in Europe or elsewhere. It could well provide an answer to the problems of certain European island regions, and specially of non-European territories of the Community. Any such system would certainly entail a heavy financial burden unless it were confined to certain categories of passenger or goods.

Your rapporteur is fully aware of the difficulties of any general application of such a measure, but still considers that it should be kept in mind.

100. It would not be possible for the aid granted to different modes of transport to be totally undifferentiated. While the principle of competition between modes remains an essential rule, the obligation to provide a public service referred to previously would necessarily entail coordination between modes of transport.

It would be necessary to choose the type or types of transport most suitable for providing a public service within acceptable financial limits. If the circumstances permit, in particular the existence of infrastructures likely to benefit from improvements, the railway should be given priority in view of its performance in terms of costs and energy economy. On the other hand, it should be possible to break down the tendency to treat the aeroplane as an expensive and exceptional mode of transport so as to make the kind of service that it alone can provide to certain areas more generally available.

101. Action taken should help to promote the use of means of transport having a low energy consumption, both in terms of reducing energy consumption in general and reducing transport costs. The Committee on Transport adopted a very firm position in this connection in the report by Mr ALBERS on energy economies(1).

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(1) Doc. 1-249/81

102. Whatever measures are adopted, they will only be effective if they can be taken up at local level.

Improvements in services to the most remote regions will depend closely on these regions displaying the will to assume maximum responsibility in this area.

Any measures to be taken should be prevented from creating the stigma of an assisted region, which would seriously impede economic and social development

Only close cooperation between the relevant authorities at local level, the national states and the Community can lead to concrete results in terms of the aims to be achieved.

C. The different aspects of the policy to be followed

103. The principles that have been affirmed should be developed in terms of five main aspects:

- infrastructures,
- facilities,
- fares,
- management and organization,
- social aspects.

Infrastructure policy

104. Infrastructure policy should be concerned with three areas of activity:

- . improvement and modernization of existing infrastructures,
- . elimination of bottlenecks,
- . establishment of infrastructures favourable to transfrontier services.

It is impossible to draw up a list of priorities for these activities in view of the differing situations in the peripheral regions.

105. Modernization of existing infrastructures however would appear in general terms to be the most necessary. It should apply equally to road-transport projects (improvement and widening of highways), rail transport (improvement of rolling stock and electrification), port facilities (installations to be adapted to the loading and unloading requirements of modern sea transport), inland waterways (canal link-ups, new lock construction, etc.,). Particular stress must be placed on facilities for switching from one mode of transport to another and facilities to improve combined transport and container transport services in general.

106. Although they are a strictly local phenomenon, bottlenecks are by no means easily eliminated, since workable solutions are usually extremely expensive, often requiring an alternative transport set-up in what is frequently a trans-frontier location.

107. The improvement of transfrontier services also raises a different type of problem since it presupposes a consensus between Member States on the basic choice of services to be established and frequently concerns projects of dubious economic viability.

As will be seen below, this presupposes above all that investment projects must be pinpointed region by region with a view to their subsequent classification.

#### Policy on facilities

108. Being closely bound up with infrastructure policy, policy on facilities has a bearing principally on rail and sea transport and, marginally, on air transport.

The development of new technologies over the last fifteen years has enabled significant energy economies to be achieved and has also increased the speed of transport.

More fundamentally, however, new possibilities must be sought by adapting and perfecting established technologies.

109. As regards rail services, however desirable it may be to make long-term projections for services to and from peripheral regions based on new transport systems running at speeds of up to 250/300 km/h on the model of the French TGV (high-speed train), it hardly seems to us realistic to introduce any such services for the moment in view of the task that is still to be accomplished in coping with the advanced age of rolling stock in the peripheral regions; this situation is particularly acute in Greece, but also applies in Ireland, southern Italy and Scotland.

The introduction of modern, high-performance rolling stock will increase the speed and improve the quality of service in passenger and goods transport alike.

The widespread use of container transport, with the provision of switching facilities for the changeover to road transport, would simplify goods transport to a considerable degree.

Here as elsewhere it will be important for the most remote regions to be placed on the same footing as central regions.

110. As regards sea transport, the most urgent need is for the introduction of more advanced technologies in two fundamental respects.

The construction of new types of car ferries with better adapted capacities and tonnage, enabling frequencies to be increased with the use of more fuel-efficient engines and ease of loading and unloading both for vehicles (private cars and trucks) and goods, would be an important step forward.

In the present situation, it is significant that the majority of vessels providing services to and from the peripheral regions were not designed for the type of service they are providing and tend to have been withdrawn from sea routes in the more developed regions on account of obsolescence.

111. A further step forward is the general use of vessels of the hovercraft and hydrofoil type. The use made of such vessels in certain island regions is especially promising. The example may be cited of a number of services between the Greek islands and the mainland that result in significant saving of time, a higher frequency of service, flexibility of operation and a minimum of port infrastructure.

This provides one of the most interesting possibilities for alleviating the remoteness of regions where the island density is particularly high (Greece, North Scotland) and for raising the numbers of port-to-port services for large island (Sardinia, Corsica, Sicily) that are poorly developed.

Policy on facilities must be oriented as rapidly as possible towards normalization and standardization of equipment in order to make the best possible reciprocal use of facilities.

### Fares policy

112. While the improvement of services to and from peripheral regions necessarily entails consideration of a fares policy, the form to be assumed by the latter remains an open question.

Both the lower volume of traffic entailed and the higher levels of investment required make these services financially vulnerable.

A fares policy is indispensable both for transport undertakings exposed to free competition and liable to engage in fares wars with catastrophic results for their balance sheets, and for public undertakings usually run at a deficit.

113. At the level of general principles for a transport policy for peripheral regions we have affirmed the need to establish a concept of public service common to all Member States, in particular for peripheral regions. The obvious aim is to achieve equality of conditions of competition between regions and the most complete transparency of the accounts of undertakings.

On this basis, it would be possible to envisage the establishment of common criteria for subsidies for all Community countries, whereby simple financial assistance to networks operating at a deficit would give way to clear rules for subsidies that would above all be aimed at improving the economic efficiency of systems concerned.

114. The second desirable long-term objective would be to achieve general fares reductions in relation to distance as a partial compensation for the handicap of remoteness.

The system that operates in most countries at present is one based on cost per kilometre with certain variations.

In a number of countries some form of degressive or preferential fares policy is operated, but usually on a selective basis.

- . United Kingdom: British Railways applies a degressive element to distance in calculating its international fares.
- . Germany: The Deutsche Bundesbahn subsidises fares charged to the Saar mining industries (to be abolished on 1 January 1984 following intervention by the Commission).
- . Italy: The Ferrovie dello Stato charge special fares on food products from the South and Sardinia (to be abolished on 1 January 1984 after intervention by the Commission). Passenger fares are degressive above 700 km.

Ferry services to Sardinia from the Gulf of Aranci-Civita Vecchia are charged on the basis of a virtual distance of 100 km as opposed to the actual distance of 213 km.

- . France: Special arrangements are applied by the SNCF for certain goods in transit to or from the regions of Brittany and the Massif Central. Similarly a fares structure approximating to the concept of territorial continuity is applied to mixed rail and sea transport to and from Corsica.

115. It will be obvious that the existence of different transport costs is theoretically opposed to the concept of free competition and of a perfectly homogenous market with uniform transport costs. The position of the Commission is very clear on this point, as current or projected abolition of preferential fares bears witness.

Your rapporteur considers that it is entirely legitimate to abolish localized measures that can only create market imbalances.

116. On the other hand, a differential fares policy is justified within the framework of a common policy for transport to and from peripheral regions.

There can be no question of allowing a free-for-all to develop where each Member State would be allowed to operate preferential fares on the basis of its own criteria. On the contrary, any policy of differentials would be applied to services to and from peripheral regions on the basis of identical criteria whereby fares would be varied under a scheme having received the agreement of the Member States as a whole.

As to the principle of fare differentials, where remoteness constitutes a generally admitted economic handicap, the former can no longer be regarded as involving privileged treatment but rather as restoring conditions of free competition as between the different regions of the European Community.

117. Two methods of adjusting fares in relation to distance can be envisaged:

- selective adjustment in respect of certain goods or categories of passengers,
- general adjustment for all goods and passengers.

The selective method would allow the effects of a fares policy to be more precisely controlled, but in practice it tends to be difficult to implement and often gives disappointing results.

In terms of implementation, a fares policy should not pose any serious problems for transport undertakings controlled by or subject to local authorities.

118. In the case of undertakings that operate entirely on the basis of free competition, such as road haulage firms, reference should be made to existing Community rules and regulations. Where it is a question of shaping the general rules in the desired manner, care must be taken not to place these undertakings in financial difficulties; compensation will of course be allocated for route infrastructural improvements.

119. Reductions in fares to projected levels need not necessarily entail supplementary aids, since improvement can be expected to result from infrastructure improvements and improved vehicle performance.

Since one of the objectives is to stimulate economic activity, the effect of the additional impetus to traffic levels that can be expected to result from the action taken on fares must also be taken into account.

120. On the other hand, a number of valid questions arise as to the levels and form of fare adjustments that should be applied. It is difficult to make concrete proposals in this report, nor is it our rule to do so. These can only be derived from economic cost-benefit analyses enabling the real impact to be measured in terms of the objective pursued. Experience has shown that fares adjustments are often a delicate matter, but the Community railway networks have considerable expertise in this area.

#### Transport system management and organization policy

121. An overall transport improvement policy also calls for improving management efficiency in transport systems and strengthening career structures.

122. The financial situation of a number of transport undertakings in remote regions is often, quite apart from specific operational difficulties, attributable to outmoded management methods.

Having regard to the specific features of transport activities and its structures, it has hitherto been fairly difficult to implement highly developed accounting systems (e.g. analytical business accounts).

Progress in working methods resulting from a better grasp of realities has made it possible, with the help of data processing systems, to give considerable assistance to undertakings. Recourse to more systematic external audits and more generalized use of the works

123. A second element entails improving cooperation between companies

Processing of goods traffic could be greatly facilitated by the general use in peripheral regions of freight offices or, at a more general level,



of transport agencies providing improved organization of the various links in the transport chain through instantaneous information on markets and freight movements in conjunction with new techniques of information dissemination.

This form of organization should be considered either in terms of regroupings of undertakings, for example, or of groupings of economic interests, or in terms of professional organizations. These structures could then operate as effective services at international level.

Structures of this kind have arisen spontaneously in central regions and their near absence is all the more prejudicial to remote regions inasmuch as the latter have to cope with return-freight problems.

We are not unaware of the difficulties of any such undertaking, having regard to the sociological impact of the near-monopoly situations already referred to, but this latter constitutes the absolutely indispensable complement to efforts that might be undertaken elsewhere.

#### Social policy

124. Social policy must succeed in reconciling two requirements that may well appear contradictory: on the one hand the will to make progress in social terms and to provide for transport safety, and on the other the concern to allow for the specific conditions of transport sector activity in the peripheral regions, the situation of undertakings, the requirements of competitiveness and profitability.
125. A second aspect of the social policy to be pursued concerns the range of measures to be taken to assist certain categories of persons particularly hard hit by the economic effects of remoteness: large families, young persons, the aged. Here it should be possible to achieve real social progress in harmonizing the rules as between Member States.
126. As already noted, the different aspects of the proposed policy are closely linked up with each other, the achievement of any one aspect necessarily implying the achievement of all the others.

The measures advocated form an ambitious package, but anything less would, in our view, fail to match the scale of existing problems.

## V - ACTION PROGRAMME

### General Community action

127. Although we consider that road, rail, sea and air transport as a whole to and from peripheral regions should be a matter of Community interest and be subject to a specific policy within the transport policy, the fact remains that Community action must not be substituted entirely for action by the Member States, who would retain their full authority in this area.

128. The objective of Community action is primarily to ensure the coordination and, above all, the consistency of the new guidelines to be applied.

A Community role is indispensable, not only in terms of a financial contribution, which is only one aspect of the intervention that might be possible, but primarily as a means of securing observance of the rules of competition as between peripheral regions by ensuring that this would no longer be entirely dependent on the action of a particular State, with its greater or lesser scope for financial intervention, or on domestic policy objectives that may or may not favour the remote regions.

129. Moreover, the enormous research field constituted by the European territory ideally lends itself to an exchange of information on the various experiments being conducted there.

130. Finally, Community action can be related to a long-term perspective, thereby ensuring continuity of policy.

This argument is particularly important in a period of economic crisis where the Member States may well tend to cut one action programme or another in pursuit of more short-term objectives, an approach difficult to reconcile with the problem before us.

131. A framework policy in relation to the national policies of the different Member States will depend on their total commitment to the objectives pursued. Similarly, local authorities too must be closely associated both with the pinpointing of projects, the measures to be implemented and their subsequent operation.

132. It is open to the Community, in present circumstances of economic and monetary integration, to intervene principally on two levels: organization of transport markets on the one hand, and planning of infrastructures and purchasing of certain facilities on the other.

As a prior step, the question of the eligibility of services falling within the terms of the policy envisaged should be considered.

A. Services to and from eligible peripheral regions

133. For reasons both of efficiency and of the limits to be set in implementing the measures advocated, the right approach would appear to be in terms of services to be provided and not of peripheral regions to be served; clearly not all services can be brought within the Community framework. It will be for the Commission to propose criteria for determining the services to which Community policy is to apply, and to ask the Member States for lists of connections that might be eligible on the basis of these criteria.

It would be helpful if the local authorities could also communicate directly with the Commission so as to submit proposals for the closer integration of projects for trans-frontier services that would not necessarily be considered at national level.

This is a particularly important problem, and one to which the Committee on Transport has already drawn attention, in particular in the report by Mr MOORHOUSE on bottlenecks(1).

B. Actions in relation to organization of the market in transport

Fares and charges

134. The establishment of an authentic differentiated fares and charges policy for passenger and goods transport services to and from the most remote regions, as briefly outlined above, is the principle objective to be achieved.

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(1) Doc. 1-214/82

135. But it presupposes that a number of prior conditions can all be met at once, most notably the redefinition of the concept of public service and the attendant obligations. It also calls for the parallel continuation and expansion of the work undertaken by the Commission on the formation of transport prices.

In the short term, it would also be possible to seek coordination of fares as between different modes of transport. Optimum use of the existing transport system is incompatible with the fares distortions that affect the choice of transport users in a discriminatory way.

136. In the case of island regions, it would be extremely valuable to consider the possibility of maintaining territorial continuity through the so-called 'tariff-equivalent route' system (TER).

It will be remembered that under this system sea-crossings are treated as equivalent to overland journeys of the same distance, so as to establish a uniform fares structure for journeys by sea and overland.

The Commission should assemble all available information on this system, including both studies and pilot schemes in the different Member States and in non-Community countries.

There can be no better way of appreciating the scale of the problem than by observing these schemes in operation. Doing so would put the Commission in a position to make technical assessments of the feasibility, the financial implications and the overall impact of the road-equivalent tariff on mail services to island regions.

137. Where action to harmonize existing systems has already been taken, it will be for the Commission to make the necessary proposals for the application of a specific fares and charges scheme common to all services to reduce the effect of distance. The same approach should be taken to efforts to secure territorial continuity between island regions and the European mainland.

138. In the initial stage, it would be appropriate for the Community role to be confined to establishing a basic framework for fares and charges, with the financial responsibility for any provisions adopted being assumed by the regions concerned and by the Member States.

Financial participation by the Community in measures to secure financial equilibrium does not appear to be compatible with current budgetary limitations.

This problem might well be considered in the context of an authentic common transport policy at some future date.

#### Community authorizations for the transport of goods by road

139. Substantial improvements could be made to the present system. The Commission has undertaken to submit proposals in the first half of 1983 for a complete rethink of quota allocation methods.

One possible means of compensating for the disadvantaged situation of transport undertakings in peripheral regions might be to allow very substantial increases in Community quotas on certain routes or for certain categories of products.

#### Community social provisions

140. The principle problems lie in the implementation of certain social provisions under Community arrangements. At present the Commission is working on how to achieve better approximation to real market conditions by eliminating certain rigidities that have appeared, and on how to strengthen controls and sanctions against infringements.

Pending new proposals from the Commission, we can only hope that they will provide for a better understanding in the most remote regions. Equivalent concern should also be shown during the subsequent stages of implementation of Community social legislation in the transport sector.

#### Establishment of regional freight agencies

141. The Commission should carry out appropriate studies and make proposals on the establishment by the Member States of regional business management structures for goods traffic, and the improvement of such structures already existing.

Their functions would include:

- coordination of services provided by goods transport undertakings,
- permanent access to international information networks,
- efforts to secure optimum vehicle fleet utilization,
- most efficient integration of different modes of transport,
- introduction of more efficient techniques,
- overall promotion of goods transport.

Organization of this type should be sought either through professional organizations or groupings of local transport undertakings in conjunction with Chambers of Commerce or similar bodies.

C. Activities as regards infrastructure planning and investment in facilities

142. In performing this important task, the Community should act to secure authentic planning for the medium and long term to pinpoint infrastructure and facilities investment projects and the means whereby they can be financed.

Pinpointing infrastructure projects and investment in facilities

143. The choice of infrastructure projects is of major importance in the allocation of Community appropriations. The Committee on Transport in the European Parliament defined its position in this area in the report by Mr MOORHOUSE on bottlenecks as follows: 'for the purposes of the ultimate decision on whether or not to grant Community aid for transport infrastructure projects, particular importance should be attached to the following factors:

- the anticipated advantages of a particular project...which should be evaluated by "multi-criteria analysis",

- the likely future trends in transport in general...,
- the financial capacities of the Member State in whose territory a project is to be carried out...,
- making optimum use of the Community's limited financial resources (1).

These principles would appear to be equally applicable to projects concerning services to and from peripheral regions.

144. As with the choice of eligible services within the framework of the policy pursued, particular attention must be paid to the list of projects for investment in infrastructure and facilities so as to ensure that the latter meet the real needs of the services to be improved, quite apart from any strictly national selection criteria.
145. As to investment in facilities, Community action should be primarily concerned with giving an impetus to modernization. This would be paralleled in industrial policy with an impetus to promote European facilities and to stimulate cooperation between different manufacturers so as to get new, standardized techniques under way.

#### Sources of finance

146. One of the keys to the Community role lies in the financial aid it would be in a position to provide both to speed up project implementation and to ensure the widest possible range of activities.

The low level of Community resources and the financial requirements of the policy advocated are obvious to everyone; it will therefore be necessary to envisage creating new sources of finance.

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(1) Doc. 1-214/82, paragraph 35, page 17

Existing sources of finance

147. In present circumstances the Community has a number of mechanisms at its disposal that could be used to finance infrastructures and facilities.

Four mechanisms which could be used to supplement each other, will be listed here.

. European Regional Development Fund (ERDF)

The geographical scope of ERDF intervention would coincide with that of a transport policy to assist the peripheral regions. In view however of the overall demand on regional policy activities, only a reduced financial contribution could be expected.

. The European Investment Bank (EIB)

The Bank can grant loans and/or give guarantees for infrastructure projects of regional or Community interest, but its activities must be governed by the profitability of its transactions. EIB aid can however be of real assistance for certain types of specific projects.

. New Community Instrument (NCI)

This enables loans to be made for investment in infrastructure projects contributing to convergence and integration, having regard to the effects on different regions and on employment.

. Interest-rate subsidies in conjunction with the European Monetary System (EMS)

These subsidies to help the less prosperous countries that are members of the EMS are limited to Ireland and Italy. They provide for a rebate of three points on the rate of interest charged on EIB loans and under the NCI.

Although these instruments should be considered, their use is limited, non-specific and scarcely suitable for a coordinated policy.



Establishment of a new financial instrument

148. Since 1976, when the Commission submitted proposals on the setting up of a committee on transport infrastructures and on support for transport projects of Community interest, the Committee on Transport has repeatedly reaffirmed (1) its fundamental position calling for the establishment of a specific fund to finance transport infrastructure. We shall not dwell here on the numerous arguments in favour of this step.

149. This development will in fact be absolutely essential if common transport policy is to have any meaning.

Under a fund of this kind, financing of projects for the peripheral regions would be a perfectly integrated component and would give the desired continuity to the action undertaken.

150. In this the views of your rapporteur are shared by the Committee on Regional Policy and Regional Planning which, in its opinion for our committee on this report (2) also recommends the establishment of a transport fund independent of other funds but coordinated with the Regional Fund and the Social Fund to finance Community transport projects, and which will be in a position to grant loans, guarantees, subsidies and interest-rate reductions to Member States proposing Community projects.

151. A second aspect of this problem lies in the share of the fund to be allocated for financing improvements in services to and from the peripheral regions.

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(1) report by Mr NYBORG - Doc. 1-377/76  
report by Mr SEEFELD - Doc. 1-512/78  
report by Mr BUTTAFUOCO - Doc. 1-218/80  
report by Mr KLINKENBORG - Doc. 1-601/80  
report by Mr CAROSSINO - Doc. 1-996/81  
report by Mr MOORHOUSE - Doc. 1-214/82

(2) report by Mr O'DONNELL on transport problems in the peripheral regions of the European Community - PE 79.331 - conclusions, paragraphs 6.7, 6.8

Two solutions might be envisaged; the first would consist in earmarking a fixed percentage of the Transport Fund for projects concerning services to and from the most remote regions, whereas the second would not differentiate between projects, regardless of their location.

At the level of principle, the second solution seems more highly desirable, but it entails the risk of giving a privileged status to infrastructures in central regions and only a marginal place to others. This risk is a very real one when the projects submitted by the Commission in its different proposals, which are confined almost exclusively to major Community routes, are considered.

Some overwhelming reason or other will always be found for giving priority to some project in the most developed regions, thereby aggravating the situation of imbalance vis-à-vis the disadvantaged regions.

152. For this reason your rapporteur tends to favour a formula to limit the use of the Transport Fund by imposing a threshold that sums allocated to the central regions would not be allowed to exceed.

This appears to us to be a reasonable proposal that would provide a guarantee of effective Community financial support and be an indication of the will to implement a genuinely effective policy.

#### D. General implementing arrangements

153. Implementation of the policy proposed can only be by gradual steps. Detailed studies of each operation, conciliation and decision-making procedures do not allow for immediate wholesale commitments, even if implementing procedures are made more efficient.
154. Implementation would thus need to be staggered over a longish time period and be subject to a schedule of deadlines. The latter would not be definitive, but would leave scope for necessary readjustments.
155. Management of the policy as a whole would need to be flexible, and this would require flexible medium-term planning of financing, rules and regulations and the technical aspects.

156. Management must be integrated, i.e. it must bring together all relevant aspects of the problem to allow for uniform implementation of the proposed measures.

## VI - CONCLUSIONS

157. When he began to draft this document, your rapporteur was aware of the size of the problems confronting the Community in its efforts to establish a more harmonious and balanced market.

The improvements of transport services to and from peripheral regions is of course only one of the many aspects of development of the most remote regions, but it is an essential one inasmuch as intra-European trade depends significantly on physical factors and on quality of lines of communication.

158. After careful pinpointing and analysis of the handicaps suffered as a whole, as well as the social causes of the situation, it became apparent that the problem could not be solved by partial solutions independent of any Community framework if equality of development opportunities was to be secured.

159. The transport problems of the peripheral regions must be approached as a whole through an overall policy forming an integral part of common transport policy.

160. At the level of principle, it is necessary to introduce the concept of a transport differential. The differential should find expression in a rethink of the concept of public service, with the long-term objective of a framework policy on fares embodying a form of partial compensation for the handicap of remoteness, and, more particularly in the case of island regions, the principle of territorial continuity.

161. The introduction of new transport techniques and improvements to existing structures should help to reduce costs by providing for more efficient management of the entire network of transport services. The policy advocated should therefore be developed through a series of units comprising infrastructure planning, facilities, social security legislation, organization of the markets, fares, capacity of transport undertakings.

162. For such a policy to become reality presupposes coordinated and integrated action by the Community on a medium-term flexible planning basis.
163. The financial aspect, i.e. any eventual Community contribution, should for its part be resolved by the establishment of a specific fund for transport infrastructures, part of which could be reserved for projects concerning services to and from the peripheral regions, as the only guarantee of effective financial support.
164. Your rapporteur of course recognizes that the programme he proposes is both long and complex, but he would submit that this is the only means of correcting serious imbalances, in particular in anticipation of the accession of two new Member States.

The rapporteur would like to thank the representatives of local authorities who completed the questionnaire, the representatives of bodies and undertakings interviewed and the experts who attended the hearing on 2 December 1982, Mr KENNA, Mr PIERRET, Mr SERRINI, Mr TERROVITIS and Mr WISSENBACH.



MOTION FOR A RESOLUTION - DOC. 1-33/81

tabled by Mr PURVIS, Mr MAHER, Mr PESMAZOGLU, Mr FERGUSSON, Miss BROOKES, Mr John David TAYLOR, Mr DALAKOURAS, Mr HUTTON, Mr BOURNIAS, Mr HARRIS, Mrs KELLETT-BOWMAN, Mr PAPAEFSTRATIOU, Mr MORELAND, Mr MOORHOUSE, Mr O'DONNELL, Mr McCARTIN and Mr CLINTON

pursuant to Rule 25 of the Rules of Procedure

on transport problems in the peripheral regions of the Community

The European Parliament,

- supporting the implementation of a common transport policy,
- concerned that the cost of transport of goods to and from the peripheral regions of the Community can be high,
- urging that Community legislation on transport should take full account of the peripheral regions,
- concerned that existing legislation can cause certain difficulties to peripheral regions, in particular provisions on drivers' working hours
- concerned that peripheral regions should enjoy appropriate transport services by air, sea, and land,

1. Urgently calls on the Commission to review existing legislation on transport with a view to submitting proposals to ensure that the cost of transport will not be unfairly high for those living and working in peripheral regions;

2. Urgently calls on the Council to ensure that Community transport legislation is implemented with due regard to the problems of such countries as Greece, Denmark and the Republic of Ireland, and of regions such as Northern Ireland, Scotland, the South-West and the North-West of England, Wales and Southern Italy;

3. Urgently requests the Commission and Council to take into consideration the difficulties liable to be encountered by Spain and Portugal in adapting to Community legislation;

4. Instructs its President to forward this resolution to the Commission and the Council.



MOTION FOR A RESOLUTION - DOC. 1-829/81

tabled by Mr DE PASQUALE, chairman, Mr FAURE, vice-chairman, Mrs BOOT, Mr DELMOTTE, Mrs EWING, Mrs FUILLET, Mr HUME, Mrs KELLETT-BOWMAN, Mrs MARTIN, Mr O'DONNELL, Mr John David TAYLOR and Mr TRAVAGLINI, members

of the Committee on Regional Policy and Regional Planning

pursuant to Rule 47 of the Rules of Procedure

on the peripheral maritime regions and islands of the European Community

The European Parliament,

- having regard to the report tabled on 2 May 1979 by Mr CORRIE, on behalf of the Committee on Regional Policy, Regional Planning and Transport, on 'the peripheral coastal regions of the European Community' (Doc. 113/79) and the resolution adopted by the European Parliament (OJ No. C 140, 5.6.1979),
- whereas that report highlighted the need for specific action to deal with the problems of these regions which are disadvantaged because of their remoteness, the lack of modern facilities, inadequate industrial development and a standard of living below the Community average,
- whereas, since the report was drawn up, the economic crisis has widened the gulf between the peripheral maritime regions and islands and the central regions, as is shown in the Commission's First Periodic Report on the social and economic situation of the regions of the Community (COM(80) 816 final) of 7 January 1981,
- having regard also to the motion for a resolution on the European Coastal Charter tabled on 8 July 1981 (Doc. 1-390/81) and the study currently being carried out on this subject by the Committee on Regional Policy and Regional Planning,
- whereas the European Coastal Charter adopted by the Conference of Peripheral Maritime Regions of the European Community concerns all the coastal regions of the Community and recommends an integrated policy for the development and protection of coastal regions, based on sound planning,
- whereas, as part of this policy, a specific study should be carried out of the problem of the development of peripheral maritime regions and islands for the reasons given above,

- noting also the final communiqué of the Conference of European Island Regions organized by the Conference of Local and Regional Authorities of Europe in Tenerife in April 1981 (Resolution (PL(16) 9),
- 1. Calls on its appropriate committees to carry out, while the study of the European Coastal Charter is being prepared and paying close attention to that study, a study of the specific problems raised by the development of peripheral maritime regions and islands in the context of the 1980s;
- 2. Instructs its President to forward this resolution to the Council, the Commission and the governments of the Member States.

MOTION FOR A RESOLUTION - DOC. 1-1006/81

tabled by Mrs BARBARELLA, Mr VITALE, Mr PAPAPIETRO, Mr CARDIA, Mr IPPOLITO, Mr CERAVOLO and Mr D'ANGELOSANTE

pursuant to Rule 47 of the Rules of Procedure

on the Mediterranean programmes

The European Parliament,

- whereas the differences in levels of development between Mediterranean and Northern areas have grown wider during the 1970s, as is clearly brought out in the conclusions of the first report on the social and economic situation of the regions of the EEC<sup>1</sup>,
  - whereas the operation of the common agricultural policy has been a substantial factor in this growing disparity, as the Commission itself points out in the document presented pursuant to the mandate of 30 May<sup>2</sup>,
  - noting the Commission's intention of embarking on a policy to narrow the gap between the Mediterranean and the other regions through medium-term programmes directed specifically at those areas<sup>3</sup>,
1. Believes that the decisions on the scope and nature of these programmes, and on the financial resources to be allocated to them, should form an integral part of the negotiations on the 82/83 farm prices and related measures in implementation of the mandate;
  2. Considers that these measures in the Mediterranean area should be expressed in an effective policy for restoring the balance between the regions and not simply in some form of financial compensation with a view to the further enlargement of the Community;

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<sup>1</sup> COM(80) 816 fin.

<sup>2</sup> COM(80) 800 fin.

<sup>3</sup> COM(81) 608 fin.

3. Takes the view in any case that whatever political and financial commitment is made to these measures, it does not dispense with the need for improvements to the market organizations for Mediterranean products;
4. Supports the general guidelines proposed by the Commission for the drawing up of the programmes, but believes that it should speed up work on them so that the first programmes can be introduced by the beginning of next year;
5. Suggests for this purpose that the programmes be subdivided into three types:

(a) measures to develop individual product areas

these should consist of plans to improve the conditions of production in clearly defined areas which have good potential for crops or live-stock; more specifically the plans should develop new and/or alternative products; improve the quality of production in the Mediterranean sector while at the same time diversifying varieties if necessary; develop non-Mediterranean animal products.

(b) regional rural measures

these should be programmes supporting the plans in the product areas to make it possible to create the structures and infrastructures as a basis for the comprehensive social and economic development of the area concerned and should therefore include measures to:

- test and make available technological innovations;
- guarantee the full use of water and land resources;
- create efficient rural infrastructures;
- modernize the methods of transporting, preserving and processing products;
- facilitate building programmes in rural areas;
- provide incentives to tourism in agricultural areas;
- take action to protect the land and the countryside;
- develop rural activities connected with agriculture;
- initiate vocational training and retraining programmes.

(c) integrated development measures

although it is essential to solve the agricultural problems facing the Mediterranean areas, a whole range of measures is necessary, covering the whole economic and social development of the areas if they are to recover from the backwardness in their development; there is therefore

a need for integrated development programmes to deal in a comprehensive way with the problems of industrial and civil infrastructures, small and medium-sized industry, craft industries and services; unless this is done there can only be a worsening in the problem of unemployment and an exacerbation of urban congestion in the metropolitan areas in the less favoured regions;

These various aspects could be present in whole or in part in each programme according to the specific requirements of the area at which the programme is directed;

6. Calls on the Commission to set up at an early date a working party composed of its own representatives and representatives of the national and regional authorities and to determine with their assistance:
  - the project areas;
  - the specific content of the various programmes;
  - the financial resources to be allocated at Community, national and regional level;
  - the administrative procedures that will be required by the fact that this type of project represents an innovation in this field.
  
7. Calls upon the Commission to set up a suitable internal structure to coordinate the funds and manage the programmes properly;
  
8. Instructs its parliamentary committees responsible to report to it in due time on the basis of Rule 94(4) and Rule 97(1) of its Rules of Procedure, as appropriate, on the drawing up and implementation of the medium term programmes in the framework of a general policy for the development of the Mediterranean area.



MOTION FOR A RESOLUTION - DOC: 1-681/82

tabled by Mrs EWING

pursuant to Rule 47 of the Rules of Procedure

on an action programme for the remote and sparsely populated regions and islands

The European Parliament,

- A - Whereas the remote and sparsely populated regions of the Community such as the Highlands and Islands of Scotland, Corsica and the West of Ireland are disadvantaged in many ways, none the least by their remoteness from decision-making centres where their problems are not always well understood,
  - B - Whereas distances from major markets and high freight charges on raw materials and inputs effectively erode business profitability in these regions,
  - C - Whereas the small and dispersed nature of local markets reduces the possibility of achieving economies of scale,
  - D - Whereas, in addition, these regions suffer from deficiencies in their communication networks and in other essential infrastructures and aware of the difficulties which local authorities experience in raising the capital necessary for vital structural improvements,
  - E - Whereas soaring fuel and transport costs have exacerbated these problems in recent years,
  - F - Noting that the situation is generally worse in sparsely populated islands,
  - G - Having regard to the Delmotte Report in the First Periodic Report on the Social and Economic Situation in the Regions and to the De Pasquale Report on the proposed revision of the ERDF Regulation,
1. Calls upon the Commission to conduct a special study on the Community's remote and sparsely populated regions and islands;

2. Recommends that this study should concentrate on areas with population densities of less than 40 persons/km<sup>2</sup> and that it should include;
  - (i) a price survey which investigates the comparative costs (of food, consumer durables, housing and transport) and earnings in these regions in comparison with urban centres
  - (ii) a survey of the effects of Community membership and
  - (iii) an assessment of success of national regional development efforts;
3. Suggests that on the basis of their findings, the Commission should come forward with appropriate proposals for an action programme in favour of the remote and sparsely populated regions and islands with a view to assisting these areas to obtain a fairer share of Europe's wealth;
4. Instructs its President to forward this Resolution to the Council and the Commission.



GROSS ADDED VALUE PER CAPITA AT MARKET PRICES  
IN ECU IN THE 10 MOST DEVELOPED AND THE 10 LEAST DEVELOPED  
REGIONS OF THE COMMUNITY  
(excluding Greece)

REGION	COUNTRY	1970	1972	1974	1976	1978	% CHANGE 1970-1978
CALABRIA	I	957	1165	1401	1581	1924	
SICILY	I	1222	1481	1720	1930	2309	
MOLISE	I	1040	1243	1532	1959	2450	
APULIA	I	1239	1453	1792	2013	2439	
IRELAND	IRL	1102	1405	1617	1957	2633	
SARDINIA	I	1414	1611	1898	2129	2711	
ABRUZZI	I	1273	1563	1884	2306	2807	
NORTHERN IRELAND	GB	1750	1935	1924	2435	3059	
MARCHE	I	1622	1865	2280	2833	3479	
A. Average - 10 least developed regions		1162	1372	1605	1914	2381	+ 104,9
GRONINGEN	NL	2588	3500	4640	11 117	13 814	
HAMBURG	D	4682	6000	8500	10 364	12 872	
BRUSSELS REGION	B	3757	4771	6353	8886	11 190	
BREMEN	D	3848	4759	6619	8146	10 249	
BERLIN (WEST)	D	3244	4048	5819	7311	9263	
ILE DE FRANCE	F	3657	4795	5605	8232	9259	
STUTT GART	D	3283	4167	5575	7035	9094	
GREATER COPENHAGEN	DK	3531	4234	5727	7913	9092	
DARMSTADT	D	3267	4119	5574	7024	9068	
DUSSELDORF	D	3522	4337	6022	7200	9012	
B. Average - 10 most developed regions		3538	4473	6043	8323	10 291	+ 190,9
A:B		1:3,05	1:3,26	1:3,76	1:4,35	1:4,32	

Source : Eurostat, Regional Statistics, 1981

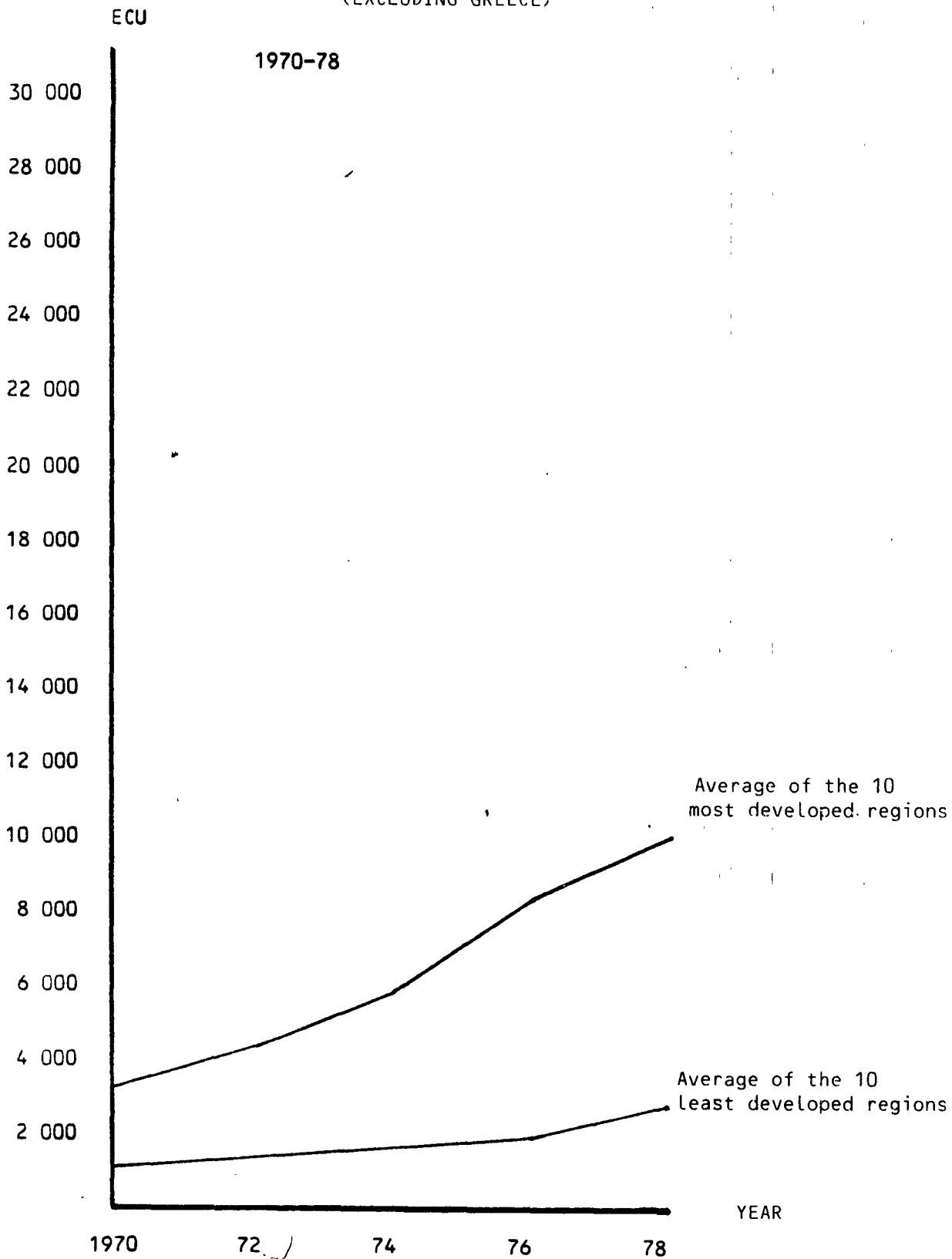
GROSS PRODUCT PER CAPITA IN ECU<sup>1</sup> AT CURRENT PRICES AND  
EXCHANGE RATES, IN CHRONOLOGICAL ORDER, FROM THE LEAST  
DEVELOPED TO THE MOST DEVELOPED REGIONS

	1970	1977		1970	1977
( CALABRIA	959	1875			
( SICILIA	1228	2130	NORD - PAS-DE-CALAIS	2510	5716
( CAMPANIA	1260	2188	KASSEL	2384	5760
( MOLISE	1040	2255	VALLE D'AOSTA	2504	5789
( PUGLIA	1248	2318	LORRAINE	2592	5862
( BASILICATA	1048	2514	KOBLENZ	2369	5918
( IRELAND	1289	2519	CENTRE	2437	5933
( SARDEGNA	1422	2609	PICARDIE	2493	5973
( ABRUZZI	1275	2666	NOORD-BRABANT	2268	6044
( NORTHERN IRELAND	1703	2822	SCHLESWIG-HOLSTEIN	2463	6150
( MARCHE	1637	3120	WESER-EMS	2337	6151
( UMBRIA	1589	3148	UNTERFRANKEN	2325	6151
( LAZIO	1984	3275	OOST-VLAANDEREN	2254	6195
( WALES	1921	3292	ALSACE	2746	6282
( EAST ANGLIA	1936	3443	FRANCHE-COMTE	2392	6339
( VENETO	1844	3468	CHAMPAGNE-ARDENNES	2769	6445
( SOUTH WEST	1931	3498	LIMBURG (B)	2002	6451
( NORTH	1777	3549	RHONE-ALPES	2805	6474
( TOSCANA	1979	3629	WEST-VLAANDEREN	2493	6496
( YORKSHIRE HUMBERSIDE	1983	3647	SAARLAND	2416	6503
( EAST MIDLANDS	2146	3705	DETMOLD	2805	6562
( NORTH WEST.	2166	3759	UTRECHT	2196	6599
( SCOTLAND	2047	3799	BRAUNSCHWEIG	2722	6611
( WEST MIDLANDS	2167	3871	LIEGE PROV.	2527	6680
( FRIULI-VENEZIA GIULI	2022	3881	OBERFRANKEN	2571	6752
( TRENTINO-ALTO ADIGE	1800	3912	MJENSTER	2451	6757
( EMILIA-ROMAGNA	2084	4178	ARNSBERG	2924	6757
( PIEMONTE	2383	4261	SCHWABEN	2669	6774
( SOUTH EAST	2420	4354	FREIBURG	2865	6839
( LIGURIA	2611	4399	LUXEMBOURG (G.D.)	3083	6919
( BRETAGNE	1875	4458	ZEELAND	2456	6961
( LOMBARDIA	2515	4493	HAUTE-NORMANDIE	3121	7091
( MIDI-PYRENEES	1925	4658	TUEBINGEN	2927	7202
( LIMOUSIN	1936	4674	KOELN	3147	7229
( LANGUEDOC-ROUSSILLON	1935	4700	ZUID-HOLLAND	2708	7260
( ALVERGNE	2097	4920	NOORD-HOLLAND	2617	7264
( FRIESLAND	1832	5024	OST FOR STOREBAELT	2758	7309
( POITOU-CHARENTES	2045	5153	HANNOVER	2973	7386
( BASSE-NORMANDIE	2162	5174	RHEINHESSEN-PFALZ	2925	7402
( LUJENEUBURG	2069	5191	VEST FOR STOREBAELT	2772	7431
( LUXEMBOURG (B)	1876	5195	MITTELFRANKEN	3051	7803
( HAINAUT	2212	5383	BRABANT	3039	7980
( PAYS DE LA LOIRE	2246	5387	DARMSTADT	3364	8139
( AQUITAINE	2323	5390	OBERBAYERN	3415	8145
( GELDERLAND	2124	5424	DUESSELDORF	3462	8280
( PROVENCE-ALPES-C-D'AZUR	2439	5494	KARLSRUHE	3326	8291
( DRENTHE	1866	5498	STUTT GART	3374	8302
( TRIER	2137	5528	ANTWERPEN PROV.	2950	8463
( LIMBURG (N)	1972	5545	BERLIN (WEST)	3336	8647
( NIEDERBAYERN	2034	5565	STORKOBENHAVN	3843	9054
( OBERPFALZ	2113	5603	ILE DE FRANCE	4080	9129
( NAMUR PROV.	2181	5645	BREMEN	3956	9695
( OVERIJSSSEL	2022	5685	HAMBURG	4814	12170
( BOURGOGNE	2346	5713	GRONINGEN	2763	15012

Source : Eurostat

<sup>1</sup> ECU (European Currency Unit) = roughly 2.35 DM

GROSS ADDED VALUE PER CAPITA  
IN THE 10 MOST DEVELOPED AND THE  
10 LEAST DEVELOPED REGIONS OF THE COMMUNITY  
(EXCLUDING GREECE)



Source : Eurostat, Regional Statistics, 1981

Q U E S T I O N N A I R E

'Transport problems in remote areas of the Community'

to be sent to  
interested regional authorities in the European Community

in order to obtain  
background material for the report by Mr U. CARDIA  
on the basis of  
the motion for a resolution by Mr Purvis and others  
(Doc. 1-33/81)

1. What do you consider to be the essential differences between the transport situation of peripheral regions and that of the more central areas of the Community?
2. What particular problem does your region have to face?
  - When answering this question please list the problems in order of priority.
3. How would you describe your region's present situation as regards
  - (i) road links with other regions  
in respect of:
    - public transport
    - goods transport
    - cars
  - (ii) rail links with other regions
    - (a) infrastructure
    - (b) frequency of services and fares/charges
  - (iii) air links with other regions in your country and other Community countries
  - (iv) sea links with other regions in your country and other Community countries?
4. Do the airports and seaports in your region have particular problems?
5. What are the main effects of any shortcomings in your region's transport system on
  - (i) trade, industry, agriculture, tourism and other sectors of the economy
  - (ii) employment?
6. From what disadvantage does your region suffer in terms of transport costs (please quantify as a percentage) and what are the effects of this disadvantage on the competitive capacity of local industry and business?
7. Can you illustrate by citing specific examples of the type of problems encountered by the inhabitants of your regions in the field of transport (passenger and/or goods transport)?

8. What measures

(i) has your authority taken

(ii) is it taking

to eliminate existing transport bottlenecks?

- What are your priorities in this matter?

9. Have you had consultations on transport problems with adjoining areas and regions and, if so, have you concluded agreements on this subject?

10. What particular facilities and subsidies has your national government made available for the improvement of the transport situation in your region?

- What effects have these measures had?

11. Has your region received financial or other assistance from the Community with a view to improving its transport situation?

- If so, please give a short account of the nature, scale, purpose and results of this assistance.

12. Has the implementation of the provisions of Community transport policy had adverse effects on your region?

If so, which provisions and what effects?

13. What are your recommendations for practical Community action in the transport sector in order to reduce the isolation of the Community's outlying regions?

- Please give your priorities in order of importance.

14. In your opinion what should be the role of the Community Institutions in solving the transport problems of the Community's peripheral regions?

15. Any other observations by way of conclusion.

L I S T

of peripheral regions to receive  
the questionnaire

GERMANY

. LUNEBURG

DENMARK

. West JUTLAND  
. GREENLAND

FRANCE

. CORSICA  
. LANGUEDOC-ROUSSILLON  
. MIDI PYRENEES  
. AQUITAINE  
. BRITTANY  
. GUADELOUPE  
. MARTINIQUE  
. ST PIERRE ET MIQUELON  
. GUYANA  
. REUNION  
. MAYOTTE

GREECE

Whole country and region by region  
. EASTERN CONTINENTAL GREECE AND ISLANDS  
(ATHENS and rest of the region)  
. CENTRAL AND WESTERN MACEDONIA  
(THESSALONIKA and rest of the region)  
. PELOPONNESE  
. THESSALY  
. EASTERN MACEDONIA  
. CRETE  
. EPIRUS  
. THRACE  
. AEGEAN SEA ISLANDS

IRELAND

Whole country and by county

ITALY

. ABRUZZI  
. MOLISE  
. CAMPANIA  
. BASILICATA  
. APULIA  
. CALABRIA  
. SICILY  
. SARDINIA

UNITED KINGDOM

. NORTHERN IRELAND  
. SCOTLAND  
. NORTH WEST  
. WALES  
. SOUTH WEST

In addition two regions sent us answers to the questionnaire without being consulted,  
the TRIESTE-VENICE region (Italy) and the Loire region (France).

SUMMARY RECORD  
OF THE HEARING OF EXPERTS  
ON TRANSPORT PROBLEMS IN REMOTE REGIONS  
ON 2 DECEMBER 1983

EXPERTS INVITED:

MR KENNA,  
Secretary General  
of the Association of Irish Transporters  
and the Confederation of Irish Industry

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MR PIERRET,  
Secretary General  
of the Conference of Peripheral Maritime Regions

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MR SERRINI,  
Conference of Peripheral Maritime Regions

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MR TERROVITIS,  
Centre for Economic Studies and Programming

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MR WISSEBACH,  
Deutsche Bundesbahn



Mr SEEFELD welcomed the experts and briefly introduced the theme of the hearing.

Speech by Mr WISSEMBACH:

Mr WISSEMBACH described the problem of the sliding scale for rates for rail transport in operation in Germany. The Deutsche Bundesbahn has been operating a sliding scale for long distance freight since 1922. Originally it was intended to compensate for the difficulties created by the distance of certain regions from the Ruhr.

Thus for example costs are reduced by 57% for a distance of 900 kms which would be equivalent to the cost for 389 kms if the rate were calculated strictly on the basis of the distance covered. This system covers 10% of the volume of transport. Special rates of which there are 210, are in operation for the rest of the volume. They allow action to be taken in individual situations.

According to various studies carried out, in particular by the University Institute of Mannheim, the cost of transport only represents 2% of the value of the goods concerned but these figures disguise important differences between the various types of goods transported; the figures are as high as 8% in the construction industry, 6% for agriculture. In Mr WISSEMBACH's view transport costs play only a minor role.

Mr WISSEMBACH also pointed out that the increase in the price of tickets in passenger transport had been markedly lower than the rise in the cost of living.

Speech by Mr TERROVITIS:

Mr TERROVITIS said that two factors were missing in peripheral regions, the existence of infrastructure in the first place and the organization of sufficiently frequent transport links.

Mr TERROVITIS also pointed out the distinction between short haul and long haul transport which affects the price. The cost of transport also increases when sea or air transport is used.

In the view of Mr TERROVITIS it would be logical to write off transport costs so that the prices of goods are the same when they come to be sold on the market.

Speech by Mr KENNA:

On behalf of the Confederation of Irish Industry, Mr KENNA pointed out the difficulties of access from which Ireland suffers, as a country which is both peripheral and an island.

More than 50% of Ireland's industrial production is exported and 86% of these exports are sold in the Community.

Thus in order to be competitive Irish industry must be particularly productive so as to be able to compete with products which are manufactured in the centre of Europe. According to surveys carried out the added cost of transport for Ireland is put at 10 - 12%.

Passenger transport is also important for the social development of peripheral regions as in areas where employment is in short supply people must be able to travel to places where there are jobs.

Mr KENNA pointed to the limited progress made by the common transport policy which in his view consisted of a series of regulations to harmonize competition rules, the results of which had often been the reverse of what was required by peripheral regions. He mentioned examples such as drivers' working hours and the introduction of tachographs and regulations on the weights and measures of vehicles.

Combined transport, which might be a source of savings, had not been developed because of the inadequacy of the network.

The enforcement of compulsory rates for freight had also been counter-productive in the end.

In Mr Kenna's view the situation could only be improved by:

- the development of a genuine common transport policy,
- taking into account the problems of the remote regions in particular by ensuring that regulations are more appropriate,
- increasing the finance for transport infrastructures by means of Community credit.

Following remarks by Mr SEEFELD, Mr PIERRET made some preliminary comments on the Conference of Peripheral Maritime Regions and he introduced Mr SERRINI.

Speech by Mr SERRINI:

Mr SERRINI described the work done by the Conference of Peripheral Regions on transport problems for remote regions. He pointed out that there was a very great discrepancy between the development of transport here and in the central regions and that there was thus a need to redress the balance of transport routes throughout Europe. Territorial continuity must thus be guaranteed as far as possible and the impact of long distances reduced. It was not simply a matter of technical adjustments but of the political objective of completely integrating peripheral regions into Europe.

Referring to the memorandum on a general transport infrastructure policy, drawn up by the Commission, which the CPMR had considered at length, Mr SERRINI expressed the view that when the financial resources were not available absolute priority was given to highly industrialized regions and the imbalance of the situation was thereby exacerbated.

The Conference of Peripheral Maritime Regions had set itself two main goals in this field: firstly a better balance between the different regions and greater competitiveness in relation to the rest of the world.

On the question of air transport, Mr SERRINI took the view that connections with peripheral regions could be improved through the promotion of small airports and more links between them.

Air transport should also rise in the hierarchy of means of transport. The CPMR had also supported the setting up of a European Fund which would come to the aid of the remotest regions and of islands in particular.

Referring to the problem of the cost of transport in the final price of goods, Mr SERRINI pointed out that this varied greatly according to the products and varied overall between 5 and 10% for example for a region like the Marche.

Mr SERRINI expressed his regret that rail transport was not used more as it was more economical particularly in Italy on long distance journeys; goods could be made more competitive in this way by reducing transport costs.

The speaker considered that it was essential to rationalize the transport system in order to deflate transport costs in general.

Differentiated transport rates would be a form of direct aid to peripheral regions. Territorial continuity was a goal to be attained which featured in the declaration of Tenerife in 1981. It is one of the only means of ensuring the re-creation of real conditions of competition in island regions.

#### QUESTIONS ASKED BY MEMBERS OF THE EUROPEAN PARLIAMENT

On the general subject of links with island regions Mr HARRIS raised the question of the road equivalent tariff, the possibility which it offered and financing by Community funds of transport equipment such as car ferries.

Mr KALOYANNIS found a correlation between the absence of a transport policy and deficiencies in infrastructure in the peripheral regions. He wanted the experts to give him an answer on transport subsidies for particularly sensitive products and possible support for sea transport.

Mr BUTTAFUOCO considered that measures were absolutely necessary and criticized the lack of a real common transport policy.

Mr ALBERS pointed to the impact of transport costs on the prices of products imported and exported in peripheral regions and expressed the view that it was necessary to improve transport infrastructures in remote regions but that contrary to popular opinion, the improvement of infrastructure in central regions was also a precious form of aid for the peripheral regions.

Mr ALBERS also considered that care should be taken over energy saving problems in the proposals which would be made in the report.

Similarly, Mr ALBERS raised the problem of the regulations on the tachograph and the rules governing rates for transport by road and by inland waterway.

Mr MORELAND first pointed to the apparent conflict of interests between central regions and peripheral regions, referring to the fact that certain measures which are of benefit to the centre of Europe constitute obstacles to development in remote regions. He cited the case of the regulation on drivers' working hours and

on the tachograph and wondered whether, in the light of the different needs of the peripheral regions, derogations should be allowed in the legislation enforced to take account of these differences.

Mr MORELAND also mentioned the danger of any extension of subsidies for transport in the remote regions, sensing a threat in the ossification of the structure of current networks which might be unsuitable. He referred in this connection to the example of transfer from railway to road which occurred in England and which both led to a reduction in costs and a service which was of equally good quality and was economically viable after a few years.

Mr CARDIA thanked the experts for their remarks and expressed the view that the improvement of relations with the peripheral regions was in the Community's interest and represented a genuine political objective and not a patching-up exercise which was simply a matter of further subsidies.

Mr CARDIA took the view that an infrastructure fund was absolutely essential and that it might lead to a genuine common transport policy for the more remote regions and particularly for islands.

The benefit which the Community can derive from the remote regions should be made clear, thus showing that there is no contradiction between national interest and Community interest as clearly demonstrated by cross-border relations.

Mr CARDIA asked the experts for their opinion with regard to the benefit to the Community in this area. The improvement must be conceived not only in terms of traditional transport but also using the most modern and flexible means of transport.

With reference to the problem of fixing rates he mentioned the possibility of reductions in rates for longer distances which could be offset not by subsidies but, politically, by a more balanced weighting in the budgets of the railway companies.

Returning to the idea of a road equivalent tariff for links with island regions, Mr CARDIA asked whether railways rather than road transport might not be taken as a yardstick.

## ANSWERS OF THE EXPERTS

Mr WISSEMBACH said that better use of railway capacity would bring the benefit of better rates and would increase the advantages deriving from this means of transport particularly in the field of energy saving.

Mr WISSEMBACH regretted that the bulk of the expenditure on transport infrastructure had been almost exclusively in the field of road transport which had proved a serious setback to the railways.

Although he considered that tariff reductions would be of benefit they would necessarily entail further subsidies in view of the particularly difficult financial situation of the railways.

Mr WISSEMBACH also pointed out that for long distances road transport had a less advantageous cost structure than rail transport, particularly because of the need for a second driver.

On the question of the financing of a road equivalent tariff Mr KENNA said that it would be very difficult to draw up common rules in this field and that it would be more advantageous to support the financing of infrastructures, pointing out that an infrastructure policy also had an impact at the social level, through support for public works industries and the greater mobility of the workforce which it entails.

Mr KENNA feared that general subsidies would not be a solution in the long term and took the view that they could only be justified at certain times for certain products.

Mr KENNA said that the elimination of bottlenecks must be a top priority.

Mr KENNA called for a more flexible enforcement of the harmonization of Community regulations on road transport to meet different individual situations.

The definition of benefit to the Community appeared to the speaker to be a very complex matter particularly where the priority to be given to the various projects was concerned.

Coordination of means of transport was also a very complex area which had to be examined in the light of the particular situation of each country.

Mr TERROVITIS thought that the short term should not be neglected through aids being given only to infrastructure and that subsidies were necessary to prevent transport costs rising above a certain level.

With reference to Greece Mr TERROVITIS drew the attention of the participants to the limited number of authorizations for road transport which in his view was an economic obstacle to trade in this country.

Mr SERRINI pointed out that to date there had been a total lack of balance in European transport and stressed the need for a proper programme of measures in the field of transport.

Mr SERRINI stressed the usefulness of recognizing the benefit to the Community of the peripheral regions, which would enable the current situation of imbalance to be remedied.

Citing a number of concrete examples Mr SERRINI stressed that certain routes for the transport of goods did not make sense because of the poor quality of links between the north and south of Europe in particular.

The speaker expressed his view that rail transport should be developed wherever it is cheapest but that road transport should also be encouraged wherever the use of the train is not possible.

With reference to the various possible levels of intervention, (Europe, Member States, regions) he took the view that the three levels of intervention should be rationalized so as to allow a real reduction in transport costs and thus to facilitate the integration of the peripheral regions into the European economy.

Mr PIERRET proposed to answer two questions: what level of subsidy for links with remote regions and how the subsidy should be divided between infrastructure and rates for transport.

Mr PIERRET said that as things were at present the subsidies granted to the central regions attracted far less attention than did those given to peripheral regions particularly because the central regions had been benefiting for decades

from large sums while the development of the peripheral regions was a political problem which called for a political decision and drew attention to the subsidies.

With regard to the distinction between subsidies for infrastructure and subsidies for tariffs, Mr PIERRET raised the question of the arrangements for the subsidies for car ferries.

The speaker considered that this was a particularly interesting mixed example because aid for the purchase of equipment would affect both infrastructure and tariffs.

Finally, Mr PIERRET stressed the need, so often referred to in the Conference of Peripheral Maritime Regions, for the development of links between peripheral regions both to encourage solidarity between these regions and to put to good use the differences between the economies of the peripheral regions inasmuch as they complement one another.

At the close of the hearing Mr SEEFELD thanked the experts invited and the various speakers and briefly summarized the views expressed.



OPINION OF THE COMMITTEE ON REGIONAL POLICY AND REGIONAL PLANNING

Draftsman: Mr O'DONNELL

On 24 June 1981 the Committee on Regional Policy and Regional Planning appointed Mr O'Donnell draftsman.

At its meeting of 24.2.83 the committee considered the draft opinion and approved it unanimously.

The following participated in the vote:

Messrs: DE PASQUALE (chairman)  
O'DONNELL (Rapporteur)  
CARDIA, CECOVINI, GRIFFITHS, HARRIS, KAZAZIS, PÖTTERING,  
TRAVAGLINI, VON DER VRING, ZIAGAS

## I INTRODUCTION

1.1. This opinion is purely concerned with the essentials of the "transport problems in the peripheral regions of the European Community."<sup>1</sup> An attempt is made to provide an answer to the question: what does transport mean to the development of peripheral regions of the Community?

1.2. The role of transport in development has more than once been stressed in the Parliament. The Corre Report on "the peripheral coastal regions of the EC"<sup>2</sup>, the Klinkenborg Report on "Memorandum of the Commission on the role of the Community in the development of transport infrastructure"<sup>3</sup>, the Faure Report on "Measures to combat excessive urban concentration and to promote Institutional polycentrism through regional planning at European level and the use of modern means of transport and communication."<sup>4</sup> All have one theme in common: "the undoubted contribution to development in its broadest sense that investment in transport infrastructure has had in the Community and various parts of the world".

## II WHICH ARE, AND WHAT IS MEANT BY PERIPHERAL REGIONS

2.1. Classifying regions by terms like: urban, rural, peripheral, central etc. has always raised methodological questions and involved some subjective judgements. Such classification, though, is necessary for comparative analyses and thus, policy recommendations. A relatively recent attempt to employ the index: "regional economic potential" for the classification of Community regions is found in the study by Keeble et al.<sup>5</sup> The concept of "economic potential" is not new to

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<sup>1</sup> The Cardia Report, PE 78.661

<sup>2</sup> OJ N° C 140, 5.6.1979

<sup>3</sup> OJ N° C 144, 15.06.1981, p. 77

<sup>4</sup> OJ N°

<sup>5</sup> Keeble, D., Owens, P.L., Thompson, C. Centrality, Peripherality and the EEC Regional development Study, Final Report, Department of Geography, University of Cambridge, England, 1981.

literature.<sup>1</sup> It has been used as a surrogate proxy to measure the relative accessibility of a region with respect to a given economic activity.

2.2. This index of regional economic potential was used by Keeble et al. both to classify and analyse the 108 EC9 level II regions. Their results for 1977 values are found in Annex I and are translated into "contour maps" in Annex II. Annex I should be read in the way that each region is ranked by its potential value; for example, the highest economic potential is found in the region of Rheinhessen-Pfalz, Germany with an index of 9,664.1 mio EUAs per Km, whereas the lowest value is found in the Calabria region, Italy, with 1,134.3 mio EUAs per Km.

2.3. The economic meaning of this index is that it shows the regional comparative advantage for economic growth in terms of accessibility to economic activity. It is a summary index that reflects the "syndrome of peripherality" consisting of all the important characteristics of peripheries described in section three. Above all, it shows the relative competitiveness of each region within a trading Community. In other words, accessibility confers a comparative advantage to firms or regions by reducing the distance costs on products, inputs and information. Conversely inaccessible regions suffer a comparative disadvantage in the form of higher distance costs.<sup>2</sup>

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<sup>1</sup> see Harris, C.C. (1954) "The Market as a Factor in the Localization of Industry in the US", Annals of the Association of American Geographers, 44, 4, 315-31 and 341-48

<sup>2</sup> Kilby, D, Industrial Investment: Must Britain Always Lose Out? Association of British Chambers of Commerce, London, 1980 refers to the General Motors investment decision in which a peripheral EEC location was ruled out by a transport cost disadvantage relative to a central location; the peripheral transport cost was seven times higher than the central accounting for 7% and 1% of total costs respectively.

2.4. In interpreting the index of regional economic potential, one should be aware of two shortcomings in such an index:

- (i) it excludes the time-dimension
- (ii) it is not an objective index, contrary to Keeble et al's claim<sup>1</sup>

Firstly, the distance or cost of transport (denoted by  $D_{ij}$ , see footnote 2, II) cannot be translated into a time-cost; the latter depends on the mode of transport reflecting the state of technology and rate of discount of time savings given alternative means of transport. Secondly, the volume of economic activity is not explained by Keeble et al, they discuss it as given and possibly static. But what is important is to explain the spatial differentiation of economic activity which implies that as the location changes so would the centre of economic activity and, thus, the index. In short, the index is relative depending on the spatial differentiation of economic activity; however, spatial differentiation is dependent upon three forces: economies of scale, transport costs and the inter-relationship between the primary, secondary and tertiary sectors, given the structures of economic integration. The index of regional economic potential takes into account only the transport costs.

2.5. The economic potential values enabled Keeble et al. to classify the 108 EC9 level II regions into: central, intermediate and peripheral regions. Annex III shows the 35 central regions with values above 4,400 mio EUAs per Km, 40 intermediate regions with a 2,800 to 4,400 mio EUAs per Km, and 33 peripheral regions; with less than 2,800 mio EUAs per Km. Central regions are found in five countries (West Germany 17, Netherlands 7, Belgium 7, France 3 and UK 1). Intermediate regions are found in all 9 EEC countries except Ireland. Peripheral regions are found in five countries (Italy 16, France 10, UK 4, Denmark 2 and the whole of Ireland).

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<sup>1</sup> Keeble et al state: "they (regional economic potential values) provide an objective measure of changes in relative regional accessibility ....."

(op. cited. p. 39, my italics)

2.6. Note that the Keeble study did not include the 9 Greek regions since Greek membership post-dated the period of the study and because there was no comparable regional data available at that time. For any complete analysis, one should add the 9 Greek regions making a total of 42 peripheral regions with a new lowest economic potential region, the Aegian with 679.1 mio EUAs per Km.

2.7. An interesting further sub-division of peripheral regions is suggested in the Cardia Report. Four sub-categories are proposed: outlying, isolated, insular and non-European regions; this sub-division is also based on the criterion of proximity but takes into account the spatial characteristics of these regions. Such a refinement enables one to identify the relative priority regions in peripheries and suggests a differential policy approach.

### 111 CHARACTERISTICS OF PERIPHERAL REGIONS

3.1. The Community peripheral regions, due to their geographical location, have common features with both rural, maritime and insular regions. In short, they have features in common with structurally weak regions:

- (i) they are more dependant on agriculture, a sector with labour-intensive techniques and thus, a substantial labour force still employed in this primary sector
- (ii) small-sized manufacture is the alternative employment sector; but its structure is biased towards traditional, labour-intensive, less technologically advanced manufacturing industry
- (iii) low marginal propensity to invest although not necessarily low marginal propensity to save despite their low level of income and widening of the income-gap between central and peripheral regions in terms of GDP per capita and GDP per employee<sup>1</sup>
- (iv) low labour productivity, high underemployment and lower rate of return on capital
- (v) a more rapid growth of youth unemployment<sup>2</sup>

<sup>1</sup> One should recall the findings of the Pöttering Report (OJ C.66, 25, 15.03.82) which states:

"While the ratio of per capita GDP between the richest region in the Community of Nine, Hamburg, and the structurally weakest region of Italy, Calabria was 5:1; in the Community of Twelve the ratio between Hamburg and the Portuguese region of Vila Real Braganca will escalate to 12:1. A similar relationship obtains in relation to the Greek region of Thrace" (p. 8)

<sup>2</sup> "By 1979, youth unemployment rates averaged 20% in peripheral regions, compared to only 7% in central regions." (Keeble et al op. cited, p. iii)

- (vi) the structure of the service industries are specialized as consumer services and thus, their demand is unstable due to wide fluctuations in regional-income
- (vii) an increasing "brain drain" with its economic effects on savings and labour productivity combined with the lack of skilled labour presents a picture of considerable relative economic disadvantage

3.2. The "peripherality economic syndrome" (i-vii) should be supplemented by the social aspects of such regions. They are of low population densities, small communities, rather isolated from centres of social and technological change and have more rigid social classes; however, they consist of ethnically, religiously and culturally homogenous populations.

3.3. Thus, economies of scale in the service sector could hardly be attained in peripheral regions as the large school, hospital, the various entertainments etc. require threshold populations which are rare in the peripheries. This is exactly what is meant by the need for greater integration by overcoming the spatial separation.

3.4. The "syndrome of peripherality" is strengthened in its argument if one compares the Keeble et al. peripheral regions based on the index of economic potential (annex III) with the "composite index" provided by the Commission (annex IV). The latter is composite in the sense that it is a compound index of two economic indicators: per capita income and structural unemployment; it is also an arithmetic average of three years: 1975, 1977 and 1979. Despite the theoretical reservations one could have on whether the arithmetic or the geometric average is the "representative" one, this composite index - claimed to be a reflection of the socio-economic situation of the regions<sup>1</sup> - gives support to what we have argued so far. Specifically the two indexes are comparable as they both analyse the 108 EC 9 - second level regions. All 33 regions of Keeble et al., with the exception of 5 French regions, are found to be in the first quarter of the Commission's classifications indicating the severest socio-economic situation. In fact, they range from an index of 18.32 (Calabria) to 91.53 (Aquitaine) when the highest is 281.65 (Luxembourg).

.....  
<sup>1</sup>"These two indicators (per capita income and structural unemployment) - the ones mostly used in the regional analyses - reflect the socio-economic situation of the regions."

Answer of the Commission to the Written Question by Mr Gendebien,  
 OJ No. C 126, 17.5.1982.

3.5. Furthermore, a comparison of the figures in Annex I with those in Annex IV provides clear evidence of the relationship between "accessibility" and economic prosperity. In general those regions which score highest on the accessibility or economic potential measure also score highest on the economic prosperity measure. In other words, to an extent well beyond the realm of coincidence a region's accessibility is a good predictor of its prosperity although it must be said that there are many other factors at work too and the relationship is not as simple or as straight-forward as it might be expedient to believe. 27 of the 33 regions designated as peripheral regions according to the measure of accessibility score under the community's average on the composite index of prosperity.

3.6. The analysis suggests one very important lesson for regional policy and that is: if accessibility is such an important determinant of economic activity and prosperity, and if regional policy is to be directed seriously towards redressing regional imbalances and inequities in economic activity, a coherent and concerted attempt must be made to improve the accessibility of what currently constitute the peripheral regions through a transport policy.

IV PERIPHERIES SEEN IN THE CONTEXT OF EXISTING COMMUNITY MECHANISMS

4.1. Existing EC mechanisms, with the exception of the ERDF and transport policy, seem to work against the endogenous development of the peripheries. The agricultural policy - excluding Fishing - absorbed 71.1% of the 1982 Community Budget of which only 3.8% was allocated for the "guidance" section of the FE0GA, whereas the "guaranteed price" system absorbed the rest (i.e. 67.3%). Similar percentages are found in the 1983 Community Budget: the guarantee section will absorb 65.2% and the guidance section will receive 3%. Hence the agricultural Fund is a mechanism designed to support larger producers of products with differential support both in terms of degree and extent. Table 1 shows that cereals, sugar beet and dairy products are the most supported products but produced in richer central regions whereas the least supported group of products like wine, fruit and vegetables are products of the peripheral regions.

Table 1: Index of support for product groups covered by CAP

Cereals	100	Beef and Veal	50.0
Sugar Beet	87.5	Pig meat, Poultry and eggs	37.5
Dairy Products	75.0	Table Wine	25.0
Oil seed, Tobacco etc	62.5	Fruit and Vegetables	12.5

Index of 100 Cereals

Source: Commission of the European Communities,  
Study of the regional impact of the CAP  
Regional policy series No 21, Brussels, 1981

4.2. The financial aspect of the CAP also works against peripheral countries. The Monetary Compensatory Amounts (MCAs) have supported the central, richer regions of the stronger currency countries at the expense of the poorer peripheral regions in weak currency countries.<sup>1</sup>

<sup>1</sup> For example, suppose the Irish pound declines and the DM increases against the central rates of the European Currency Unit (ECU). The Irish exporter is taxed (negative MCA) on the export of agricultural goods meaning lower prices and level of income whereas the German exporter of the same goods receives a subsidy (positive MCA) meaning higher prices and level of income. This is purely an "equity" question and has nothing to do with "efficiency"; both currencies are participants in the EMS.



4.3. The European Monetary System (EMS) designed to enhance monetary integration also works against the peripheries. Integrated markets allow capital and labour to have greater flexibility to those regions that offer the highest return. An integrated capital market would direct investment even more towards more prosperous regions raising total EC output, from a given total of factor input, but at the expense of exaggerating intra-Community disparities. This is exactly what the economic issue is about, namely the conflict between "efficiency" and "equity".

4.4 On trade and competition policies, the Rome Treaty with its articles 9(i) and 85-90 established the legal framework; it seeks to sweep away protection and aims to give play to the forces of competition. This, however, will give impetus to an advanced area, usually the central, which will attract more resources, given the freedom of investment choice and need to minimize transport costs, and so, increase its leadership and relative income at the expense of peripheral regions.

4.5. The Social policy has developed into a "re-educational and retraining" policy to assist the more affluent areas rather than being a comprehensive policy in favour of peripheries.

4.6. The two policies that could work in favour of peripheral regions are the regional and transport policies. For the regional policy the de Pasquale Report<sup>2</sup> is an excellent source which not only identifies the causes of regional disparities and the inadequacy of previous Community efforts but offers guide-lines for a new comprehensive regional policy based on the principle of the transfer of resources to weak, peripheral regions coupled with the aim of exploiting and developing the endogenous potential of such regions.

4.7. Articles 74-84 of the Rome Treaty are devoted to the establishment of a Common Transport Policy (CTP). This in a sense, could be a mixed blessing. On the one hand we have the Carossino Report<sup>3</sup> which explains why a CTP should constitute one of the foundations of the Community and on the other hand the Community, given 25 years of experience with accentuating regional disparities and finding itself in a situation of stagflation, could recast its thoughts on a CTP different from previous efforts. The Cardia Report, for instance, favours a Common Social Transport Policy implying the absence of any factors which would curb the endogenous development of peripheral regions. But why is this important? This puts the question of how transport systems can contribute to the development of a region.

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<sup>2</sup> OJ No. C 125, 17.5.82

<sup>3</sup> OJ No. C 87, 5.04.82

## V THE IMPORTANCE OF TRANSPORT SYSTEMS TO PERIPHERAL REGIONS

5.1. Transport should be seen as a service sector which provides a link between producers and consumers and as an industry sector which produces means of transport that create new demand. In its former capacity we have only a derived demand whereas in the latter we have additional demand. Both aspects are equally important to all regions but particularly to peripheral ones as their economic potential values are substantially lower than intermediate or central regions.

5.2. The Carossino Report<sup>1</sup> refers to some statistical data which is worth reproducing . In 1979 the active population employed in the transport sector amounted to around 6.2% implying that some 16.6 million people depend on the transport sector for their livelihood. In addition, the transport sector accounted for between 5.1% and 9% of GNP, and in external trade, it accounted for 6.2% revenues and 5.5% expenditures. These are overall figures but a more concrete analysis should have been one that would compile regional data and then select the peripheral regions.

5.3. If one considers the specific contribution of the transport systems to the development of peripheries, one should recognise two broad benefits resulting from transport improvements:

- (i) the basic economic impacts
- (ii) the social advancement<sup>2</sup>

5.4. The basic economic impacts are on the "users", "non-users" and "production potential of the region". For the users, the economic benefits are derived from savings in travel time for passengers and goods as well as in operating costs of the vehicles. For the non-users, the benefits are derived from the direct and indirect changes to the economic conditions of the regions, given a change in the transport infrastructure.

5.5. For the increase of the production potential of the region, one usually includes:

- a) the rise in production of certain goods
- b) the increase of the export potential of the region
- c) the change in productivity of the factors of production
- d) the effects on tourism and services, and
- e) the changes in population, employment and income.

.....  
<sup>1</sup> op. cited

<sup>2</sup> Giannopoulos, G. "Transport and the Challenge of Structural Change, 8th International Symposium on "Theory and Practice in Transport Economics, Istanbul, 1979, defined the term "social advancement" to denote "the complex web of changes regarding the social, political, cultural and even ethical attitudes and habits, of the regional population, toward acquiring the socio-political characteristics common to the more "advanced" nations". (p. 31)

5.6. Giannopoulos's paper on "Transport and the Challenge of Structural Change"<sup>3</sup> drawing evidence from a peripheral country like Greece and experience from less developed countries, gives support both to the findings of the Keeble study and to the above five-fold positive effects of transport improvement in the peripheries. Giannopoulos cites an example, the upgrading of the Santo-Domingo-Esmeralda road in Ecuador which brought 17,000 hectares of "new land" under cultivation. For the export potential of a periphery, he cites that the agricultural regions of the Peloponnese, Macedonia and Thrace, where a new road network has been built, has meant an increase in the tonnage of exported agricultural products. As for the increase in the value of productivity of regional factors of production, the obvious example is land usage; the Korinth to Patras highway has changed a zone of 2 Kms around the highway from predominantly agricultural to approximately 10% light manufacturing and about 10% of the other land is used for hotels.

5.7. For the positive relationship between transport improvements and tourism, Giannopoulos cites the case of the airport on the island of Kos in the Aegian. Since the opening of the airport in 1975 there has been an unprecedented increase in the number of tourists. Table 2 shows this increase:

Table 2: Basic Statistics 1975-78

Year	No. of flights to Kos	No. of tourists	% change
1975	43	4,100	-
1976	136	13,396	326
1977	307	30,609	228
1978	435	43,300	41

Source: Statistics of the National Tourist Organisation of Greece

5.8 The Kos case is an example of how transport infrastructure can aid the development of the "endogenous potential" of a periphery; the endogenous potential, here, refers to the touristic attractions of this island as well as to the dynamism and vitality of its human potential. Nothing definite can be said about "causality"; the same economic project in a different economic environment may not have had any impact.

5.9. Theoretically, if points (a) to (d) hold, then changes in population and employment could be expected. The findings of Wilson et al<sup>4</sup> for less developed countries and Giannopoulos's for Greece support empirically that there is a

<sup>3</sup> op. cited

<sup>4</sup> Wilson, G.N, Bergmann, BR, Hirsch, LV, Klein, NS, The Impact of Highway Investment on Development Brookings Institution, Washington DC, 1966.

strong positive relationship between new transport facilities and regional population growth as well as creation of regional employment opportunities.

5.10. If accessibility measured by the index of economic potential is as important as we have argued (section 2) and if the characteristics of peripheries and existing EC mechanisms (sections 3 and 1) do not favour peripheral regions, then would a uniform subsidy of transport costs solve the problem? Consider the following. It is possible that high transport costs could act as a protective shield behind which prosperity could be achieved, if the appropriate policies were followed. Assume that a uniform subsidy is introduced to two trading regions: one peripheral and the other central, the price of goods produced by the central region but consumed by the peripheral region will be reduced. Given that high substitutability exists between goods produced by the two regions, producers in the peripheral region will lose part of their market share, due to competition, resulting in lower real income, unemployment, migration etc for that region.

5.11. Such an argument is fallacious on two counts. Firstly, a uniform subsidy will presumably increase the peripheral region's exports to the central region and thus, the relative gain or loss will depend upon the respective price elasticities of demand and income elasticities of both regions. It may be the case that the peripheral region would benefit more. This is simply an exercise in arithmetic. Secondly, the argument in paragraph 5.10. is based on the assumption of "appropriate policies" which in the Community of today are inappropriate as we have argued in section four.

5.12. Turning now to the social aspect of transport systems and its impact on the social advancement of peripheral regions, one should be aware of the context used. Two aims of economic development namely spatial integration and modernisation define the context. In turn these two concepts are interlinked with the institutional framework which may differ in different countries and, therefore, in peripheries; but one could find common features in all peripheral regions. Broadly speaking, spatial integration and modernisation refers to the availability of social services, dissemination of information and ideas but preservation of peripheral cultural life. What is claimed here is that improved accessibility in the peripheries would facilitate a greater flow of information, the basis for knowledge, and would enable attitudes to be changed towards new ideas and innovations which would both enable a uniform process of development across peripheries.

## VI POLICY RECOMMENDATIONS

6.1. The basic postulate of this opinion has been one that says that the magnitude of the socio-economic effect on peripheral regions, given a new or improved transport infrastructure, largely depends on two factors:

- a) the creation of economic opportunity, and
- b) the response to economic opportunity

The first depends upon the quality, quantity of invested resources in transport systems and on the size and dynamism of peripheral markets. The second depends upon the endogenous human potential of peripheral regions.

6.2. Given (a) and (b) what kind of transport systems would be suitable for the peripheries? or, what types of transport would maximise the social and economic benefits of peripheral regions? Given also that the Community transport sector accounts for 15% of total capital investment and 40% of the public sector capital investment<sup>1</sup> as well as the projected estimates of Holford-Walker<sup>2</sup>, that international transport within the Community will rise from 394.2 mt in 1974 to 1,195.2 mt by the year 2000, a comprehensive CTP is a must. The following proposals may be included in the Cardia Report's proposition for a resolution.

6.3. Firstly, unlike other Community policies, a CTP should not be concerned purely with a set of rules concerning competition and the market but should accept the principle of "differentiality" meaning that different peripheral regions are suitable for, and in need of, different transport systems.

6.4. Secondly, harmonisation and standardization should be encouraged but should be flexible enough to provide a fair but competitive environment to both central and peripheral regions but which would remove unnecessary restrictions on the mobility of factors of production and trade.

6.5. Thirdly, transport infrastructure in peripheral regions should be designed to promote the integration of these regions with central regions and the direct links between peripheral regions. Radical improvement in the transport systems to and from peripheral regions, which constitutes one of the prerequisites for their development, should be of special concern to the Community and to the Common Transport Policy.

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<sup>1</sup> COM(79) 550 final, Nov. 1979

<sup>2</sup> Holford-Walker, F., "Community Transport Policy: An Environmentalist View" in the Report of a European Commission Seminar for Local Authorities, The County Hall, London, 20.10.1981.

6.6. Fourthly, since the export potential of peripheral regions is enhanced with the improvement of transport systems, the principle products and services of peripheral regions: agricultural products, horticulture, fishing, forestry and tourism, would also be improved.

6.7. Fifthly, a Transport Fund<sup>1</sup>, independent of other funds but coordinated with the Regional and Social Funds, should be created; it ought to be able to finance Community transport projects. The intervention of the Common Transport Fund should be adequately directed towards the peripheral regions.

6.8. Sixthly, the proposed Transport Fund should be able to give loan guarantees, loans, subsidies and interest rate reductions to those member states who propose Community projects.

6.9. Seventhly, the Community should promote modes of transport that are the most energy conserving<sup>2</sup> and that do the least damage to both the social and ecological environment.

6.10. Eighthly, if the empirical findings of the HIBD<sup>3</sup> in the UK hold true for most peripheral regions, a Road Equivalent Tariff (RET) or a Norwegian like cross-subsidisation policy should be adopted at Community level on the principle of differentiability and running costs basis.

6.11. Ninthly, the regions of the EC in the most urgent need of improved transport facilities are to be found in peripheral member states and islands of the Community. Thus, these areas should receive urgent priority attention. The provision of "mobile transport infrastructure" should receive Community financing.

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<sup>1</sup> Notice the Budget Lines: 780, 781 and 785 of the Preliminary Draft General Budget, 1983 that recommend some small amounts to finance studies of and support for transport infrastructure and operation of freight markets.

<sup>2</sup> see the Albers Report on ways and means of effecting energy savings, Doc. 1-249/81.

<sup>3</sup> "In their evidence the HIBD gave us the latest figures from the Winter 1981 report. These showed that on average prices in rural Scotland were 12.1 percent above the urban base used (Aberdeen). In some of the islands the difference was more than 20 percent..."

House of Commons, UK, Second Report from the Committee on Scottish Affairs, Session 1981-82. Rural Road Passenger Transport and Ferries Vol. 1, par. 91, London 1982.

Table Economic Potential Values, 1977

Region	Country	mio EUAs per km	Region	Country	mio EUAs per km
Rheinhesen-Pfalz	BRD	9664.1	Namur	BEL	4311.9
Karlsruhe	BRD	8529.0	Luxembourg G.D.	LUX	4234.6
Dusseldorf	BRD	8082.3	Hannover	BRD	4222.0
Ile de France	FRA	7346.6	Luxembourg	BEL	4186.1
Hamburg	BRD	6855.9	Picardie	FRA	4167.1
Koln	BRD	6651.5	Lorraine	FRA	4126.2
Zuid-Holland	NED	6389.7	Trier	BRD	4080.9
Drabant	BEL	6349.2	North West	UKI	3994.7
Berlin-West	BRD	6225.0	Zeeland	NED	3992.5
Antwerpen	BEL	6162.3	Haute-Normandie	FRA	3987.7
Arnsberg	BRD	6024.0	Champagne-Ardenne	FRA	3987.2
Hainaut	BEL	5869.9	Oberbayern	BRD	3971.8
Noord-Brabant	NED	5834.4	Unterfranken	BRD	3915.3
Darmstadt	BRD	5499.1	Kassel	BRD	3838.5
Bremen	BRD	5485.4	Groningen	NED	3828.5
Noord-Holland	NED	5445.7	Lombardia	ITA	3828.0
Munster	BRD	5422.3	Mittelfranken	BRD	3821.9
Limbourg	BEL	5420.1	Braunschweig	BRD	3775.2
Oost-Vlaanderen	BEL	5409.5	Schwaben	BRD	3719.4
Utrecht	NED	5396.0	West Midlands	UKI	3622.6
Limburg	NED	5366.8	Drenthe	NED	3486.9
Nord-Pas-de-Calais	FRA	5310.5	Franche-Comte	FRA	3479.1
Gelderland	NED	4974.3	Luneburg	BRD	3426.1
Stuttgart	BRD	4972.8	Yorks Humberside	UKI	3409.9
South East	UKI	4951.4	East Midlands	UKI	3378.5
Detmold	BRD	4767.3	Bourgogne	FRA	3345.3
Alsace	FRA	4738.2	Storkobenhavn	DAN	3329.1
West-Vlaanderen	BEL	4699.2	Rhone-Alpes	FRA	3271.8
Liege	BEL	4669.6	Friesland	NED	3236.3
Freiburg	BRD	4668.2	Oberfranken	BRD	3233.1
Koblenz	BRD	4665.6	Niederbayern	BRD	3192.3
Overijssel	NED	4600.9	Oberpfalz	BRD	3163.5
Saarland	BRD	4526.5	Schleswig-Holstein	BRD	3118.0
Tubingen	BRD	4510.4	South West	UKI	3099.6
Weser-Ems	BRD	4491.9	Piemonte	ITA	3051.9
			Basse-Normandie	FRA	3047.6
			Liguria	ITA	2977.4
			Centre	FRA	2936.6
			East Anglia	UKI	2880.8
			Emilia Romagna	ITA	2835.0

Table continued.

Region	Country	mio EUAs per km
Wales	UKI	2758.5
Bretagne	FRA	2734.7
Valle d'Aosta	ITA	2685.7
Auvergne	FRA	2665.5
Pays de la Loire	FRA	2628.0
Veneto	ITA	2615.4
P.A. Cote d'Azur	FRA	2514.7
Toscana	ITA	2507.1
North	UKI	2486.0
Limousin	FRA	2446.5
Trentino-Alto A.	ITA	2445.3
Vest for Storebaelt	DAN	2368.8
Poitou-Charentes	FRA	2351.3
Ost for Storebaelt	DAN	2304.4
Languedoc-Roussillon	FRA	2262.7
Lazio	ITA	2229.9
Aquitaine	FRA	2206.5
Friuli-Venezia G.	ITA	2036.0
Marche	ITA	2022.6
Midi-Pyrennees	FRA	2019.2
Scotland	UKI	1954.7
Umbria	ITA	1951.1
Campania	ITA	1924.0
Abruzzi	ITA	1754.2
Ireland	IRE	1686.2
Corse	FRA	1634.0
Northern Ireland	UKI	1614.9
Molise	ITA	1534.6
Puglia	ITA	1527.8
Sicilia	ITA	1385.9
Basilicata	ITA	1369.1
Sardegna	ITA	1350.8
Calabria	ITA	1134.3

Source: Keeble, D., Owens, P.L., Thompson, C.  
Centrality, Peripherality and the EEC Regional Development Study,  
 Final Report, Department of Geography, University of Cambridge,  
 England, 1981.

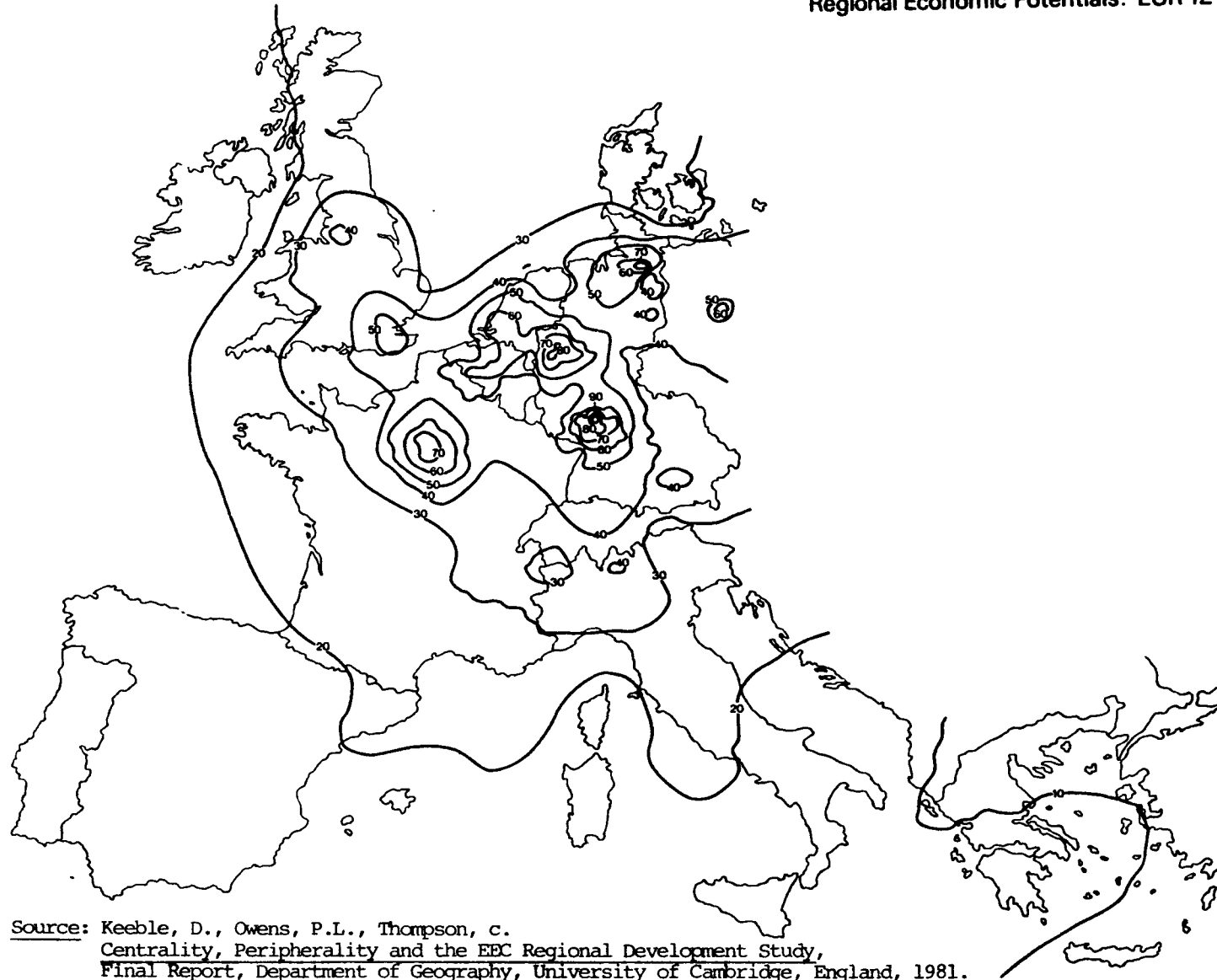


### EEC Regional Economic Potentials 1977



Contours as % of maximum potential value  
(9664·1mio EUAs per km)

Regional Economic Potentials: EUR 12



Source: Keeble, D., Owens, P.L., Thompson, c.  
Centrality, Peripherality and the EEC Regional Development Study,  
Final Report, Department of Geography, University of Cambridge, England, 1981.

EEC REGIONAL LOCATION

## CENTRAL REGIONS

002 Hamburg  
 007 Weser Ems  
 011 Bremen  
 012 Dusseldorf  
 013 Koln  
 014 Munster  
 015 Detmold  
 016 Arnsberg  
 017 Darmstadt  
 019 Koblenz  
 021 Rheinhessen-Pfalz  
 022 Stuttgart  
 023 Karlsruhe  
 024 Freiburg  
 025 Tübingen  
 033 Saarland  
 034 Berlin-West  
 035 Ile-de-France  
 040 Nord-Pas-de-Calais  
 042 Alsace  
 060 Utrecht  
 061 Noord-Holland  
 062 Zuid-Holland  
 064 Noord-Brabant  
 065 Limburg  
 066 Overijssel  
 067 Gelderland  
 088 Antwerpen  
 089 Limbourg  
 090 Oost Vlaanderen  
 091 West Vlaanderen  
 092 Brabant  
 093 Hainaut  
 094 Liege  
 104 South East

## PERIPHERAL REGIONS

044 Pays de la Loire  
 045 Bretagne  
 046 Poitou-Charentes  
 047 Aquitaine  
 048 Midi-Pyrenees  
 049 Limousin  
 051 Auvergne  
 052 Languedoc-Roussillon  
 053 P.A. Cote d'Azur  
 054 Corse  
 069 Valle d'Aosta  
 072 Trentino-Alto Adige  
 073 Veneto  
 074 Friuli-Venezia Giulia  
 076 Toscana  
 077 Umbria  
 078 Marche  
 079 Lazio  
 080 Campania  
 081 Abruzzi  
 082 Molise  
 083 Puglia  
 084 Basilicata  
 085 Calabria  
 086 Sicilia  
 087 Sardegna  
 098 North  
 106 Wales  
 107 Scotland  
 108 Northern Ireland  
 109 Ireland  
 111 Ost for Storebaelt  
 112 Vest for Storebaelt

EEC REGIONAL LOCATION

INTERMEDIATE REGIONS

001 Schleswig-Holstein	
003 Hannover	097 Luxembourg G.D.
005 Luneburg	
009 Braunschweig	099 Yorks Humberside
018 Kassel	100 North West
020 Trier	101 East Midlands
026 Oberbayern	102 West Midlands
027 Niederbayern	103 East Anglia
028 Oberpfalz	105 South West
029 Oberfranken	
030 Mittelfranken	110 Storkobenhavn
031 Unterfranken	
032 Schwaben	
036 Champagne-Ardenne	
037 Picardie	
038 Haute-Normandie	
039 Bourgogne	
041 Lorraine	
043 Franche-Comte	
050 Rhone-Alpes	
055 Centre	
056 Basse-Normandie	
057 Groningen	
058 Friesland	
059 Drenthe	
063 Zeeland	
068 Piemonte	
070 Liguria	
071 Lombardia	
075 Emilia Romagna	
095 Luxembourg	
096 Namur	

Source: Keeble, D., Owens, P.L., Thompson, C.  
Centrality, Peripherality and the  
EEC Regional Development Study,  
Final Report, Department of  
Geography, University of Cambridge,  
England, 1981.

INDICE SYNTHETIQUE

ALBERTA	18.32	SCHLESWIG-HOLSTEIN	119.66
CALABRIA	25.58	FRANCHE-COMTE	120.69
SICILIA	29.46	CENTRE	122.18
SARDEGNA	32.16	CHAMPAGNE-ARDENNES	122.60
PUGLIA	32.34	PIEMONT-ALPES	123.65
NORMANDE	34.62	UNTERFRANKEN	125.73
PUGLIA	35.38	HAUTE-NORMANDIE	125.73
IRELAND	38.01	NIEDERBAYERN	126.23
ABRUZZI	38.25	BRABANT	126.96
NORTHERN IRELAND	43.80	KOBLENZ	128.08
LAZIO	44.66	SOUTH EAST	128.39
UMBRIA	48.94	NEDERLAND	128.68
ITALIA	55.32	DANMARK	129.99
NORTH	62.70	ZEELAND	131.58
MARCHE	64.98	NIEDERSACHSEN	132.41
SCOTLAND	69.17	ANTWERPEN PROV.	133.78
TOSCANA	70.95	ARNHEMBERG	134.31
WALES	71.21	RHEINLAND-PFALZ	134.43
NORTH WEST	73.75	MUNSTER	139.01
LIGURIA	75.42	RHEINWESSEN-PFALZ	140.77
LARGE DUC-BOUSSILLON	76.41	ALSACE	146.24
HAINAUT	76.59	NORDRHEIN-WESTFALEN	146.82
MIDI-PYRENEES	81.63	ZUID-HOLLAND	150.02
BRITAGNE	83.04	NOORD-HOLLAND	150.53
VENETO	83.38	KOLN	150.82
AUVERGNE	84.10	DETMOLD	151.89
SOUTH WEST	84.83	SCHWABEN	152.26
EMILIA-ROMAGNA	85.71	BAYERN	152.97
UNITED KINGDOM	86.17	DEUTSCHLAND	153.91
EAST ANGLIA	87.17	TRIER	154.47
YORKSHIRE-HUMBERSIDE	87.26	OBERRHODEN	154.99
PIEMONTE	87.41	KASSEL	156.03
PROVENCE-ALPES-COTE D'AZUR	87.70	DUSSELDORF	158.16
LINBURG (A)	88.19	VALLE D'AOSTA	163.45
WEST-MIDLANDS	88.25	FREIBURG	163.64
MARUP PROV.	88.64	MITTELFRANKEN	166.53
LINBURG (B)	90.15	ILE DE FRANCE	169.46
AQUITAINE	91.53	BERLIN (WEST)	178.27
EAST MIDLANDS	93.24	HESSEN	181.91
POITOU-CHARENTES	94.64	OBERBAYERN	183.35
BEIGE PROV.	94.79	UTRECHT	184.34
NORSE-NORMANDIE	95.03	DARMSTADT	191.28
LUXEMBOURG (B)	95.88	BADEN-WURTEMBERG	196.41
LINGON	99.66	BREMEN	197.01
NORD-PAS-DE-CALAIS	99.90	KARLSRUHE	198.08
EUR 9	100.00	STUTTGART	211.99
OOST-VLAANDEREN	100.91	TURINGEN	224.33
FRIULI-VENEZIA GIULIA	101.19	HAMBURG	227.56
FRIISLAND	102.03	GRONINGEN	229.93
BREITHE	104.80	LUXEMBOURG (G.D.)	281.64
BELGIE	105.88		
PICARDIE	106.08		
NOORD-BRABANT	107.18		
TRENTINO-ALTO ADIGE	107.79		
PAYS DE LA LOIRE	107.94		
OVERIJSSSEL	108.24		
LOMBARDIA	109.94		
BORGOSNE	109.62		
UNTERPFALZ	110.25		
GELDELAND	111.82		
WEST-VLAANDEREN	113.99		
FRANCE	114.18		
FRANCE	115.04		
FRANCE	115.11		

Source: Answer of the Commission to the  
Written Question by Mr GENDEBIEN,  
OJ No. C 126, 17.5.1982.

