Links between regional and competition policy

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The resolution on the communication from the Commission to the Member States on the links between regional policy and competition policy was approved by the European Parliament. This report, by Claudio Azzolini (UPE,IT) proposes that the Commission's guidelines concerning Article 92(3)(a) should include all the areas to be incorporated into Objective 1 (that is, not only those with less than 75% of the Community's mean GDP per capita, but also the outermost regions and those which meet the current Objective 6 criteria). For the purpose of interpreting Article 92(3)(a), it considers that the areas "where the standard of living is abnormally low or where there is serious underemployment" should be defined in accordance with new Objective 1 but should the list of Objective 1 areas include limited exceptions to this rule, they should also be covered by Article 92(3)(a). The Parliament is concerned, from the point of view of consistency, about possible divergences between the criteria employed under Article 92(3)(a) and the Community criteria for eligibility under new Objective 2. It is also concerned that, given that the absolute value of Community aid is declining, the provisions of the new guidelines which limit the permitted intensity of national aid more strictly than before may damage the economic development of the most disadvantaged Objective 1 areas and many new Objective 2 areas which will receive less aid than before. The report asks for aid currently permitted by the new guidelines to be intensified for investment in the most remote regions and all other geographically disadvantaged regions referred to in the Treaty of Amsterdam, while also pointing out the need for continued support of structurally weak regions in the wealthier Member States. It also insists that concentration of funding on the most disadvantaged areas of the Community must not mean that national support is only permitted in these regions. With regard to transitional funding of regions which no longer qualify for Objective 1, the Parliament considers the provisions laid down in the new guidelines on Article 92(3)(a) to be too strict and further wishes to see provision made under Article 92(3)(a) for the transitional funding of former Objective 2 regions. In all of these areas of concern, the Parliament would like to see the Commission take a more flexible approach and expresses its willingness, as guarantor of the objective of economic and social cohesion, to hold the Commission to account in this respect. It also warns that if the Commission does not find solutions to these problems, the internal market will be placed at risk from an uncontrollable proliferation of fiscal and substitution measures. The Parliament wishes to see generally strengthened coordination between business development policy and the Community's regional policy in order to limit distortions in all the Member States. It welcomes the Commission's recent decision, for projects requiring major inputs of capital, to limit aid to projects which will have an indisputable regional impact. In this context, it further calls on the Commission to extend this system to all sensitive industries still governed by specific rules on control over State aids, to set up a system of monitoring and controls to ensure the long-term commitment of the assisted undertakings to regional development and to give general consideration to the regional impact of all national aid systems and assess as precisely as possible the positive and negativeimpact of national regional aid according to the various forms it takes.