Economic and social cohesion. 1st report

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In adopting the report by Mr Juan de Dios IZQUIERDO COLLADO (PSE, E) on economic and social cohesion, the European Parliament first of all reiterates the fact that cohesion is an essential aspect of European integration. For this reason is it concerned at the frequent inconsistency and inadequate coordination of Community policies in terms of the objective of achieving economic and social cohesion in the Community. This applies first and foremost to the common agricultural policy (CAP), under which aid is concentrated on a small number of farmers and the sector is steadily declining. Parliament believes that aid should be more closely linked to cohesion and that a digressive scale for aid should be introduced, taking account of the size, location and income of each holding. The resources thus freed up would be used for rural development. Efforts should also be made with regard to fisheries, such that the regions heavily dependent on fishing can diversify. Regarding research, the Fifth Framework Programme should harmonize levels of technology so as to include the least-favoured regions. Every effort must be made to prevent peripheral and isolated regions becoming marginalized from the centres of economic activity. Parliament therefore calls for transport and communications policy to give priority to strengthening regional and local networks and to developing services of general interest so as to offer consumers a minimum of basic services at affordable prices. Regarding competition, measures must be taken to avoid distortions caused by State aid in certain sectors. The Commission should also produce an annual report on the regional effects of EMU. Parliament considers that EMU must be accompanied by additional structural support mechanisms to ensure it does not become an obstacle to the achievement of cohesion. It therefore calls for the continuation of a Cohesion Fund in its present form. As regards enlargement and its effect on structural policies, Parliament believes that adjustments will be necessary and that flexible transitional arrangements will have to be introduced in order to ensure the gradual integration of future applicant countries. A specific financial instrument should be established for the structural adaptation of these countries. Parliament believes that funding for the financial instruments for cohesion should be consolidated. In particular, it recommends a revision of the financial perspectives before enlargement, with restructuring of the budget. Concerning the instruments themselves, it believes there is a need to reduce the number of structural policy objectives (particularly by merging Objectives 3 and 4) and to simplify the relationship between fund and objective, either by using one fund for each objective or by standardizing fund administrative procedures. Preferential treatment must be given to Objective 1 areas and the most remote and island regions. Parliament also emphasizes the need for changes to the areas to be promoted under Objective 1, including definitive exclusion of industrialized urban areas from the eligible areas. Priority should also be given to innovative measures under the ERDF and to measures fostering equal opportunities. The results obtained through funding should be evaluated at the mid-term stage of the programming period, to allow any necessary review of the eligible areas. Parliament also proposes that programming should take the form of a contract, the parties to which would be local and regional authorities and the social partners. It calls for these parties to be better informed, and advocates decentralized administration and financial control. Controls by the national public authorities must also cover programmes and the arrangements for promoting them. The principle of additionality must be maintained, together with involvement of the private and voluntary sectors. Parliament emphasizes the need for structural policy priorities to be geared to improving the competitiveness of the economy, sustainable development and job creation. It is essential to support the development of SMEs and incorporate the urban dimension into the Structural Funds. A special place must be found for rural areas, as well as innovation and technological development. Energy (particularly renewable energy) and the environment must also be at the centre of the debate. Finally, Parliament emphasizes the importance of cohesion policy in fighting unemployment and social inequalities.