Basic information

1996/2274(COS) COS - Procedure on a strategy paper (historic)	Procedure completed
Economic and social cohesion. 1st report **Subject** 4 Economic, social and territorial cohesion	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
REGI Regional Policy	IZQUIERDO COLLADO Juan de Dios (PSE)	27/02/1997

Committee for opinion	Rapporteur for opinion	Appointed
AGRI Agriculture and Rural Development	ANTTILA Sirkka-Liisa (ELDR)	28/01/1997
BUDG Budgets		
ECON Economic and Monetary Affairs, Industrial Policy	GARCÍA-MARGALLO Y MARFIL José Manuel (PPE)	17/04/1997
ENER Research, Technological Development and Energy	MARSET CAMPOS Pedro (GUE/NGL)	06/02/1997
ENVI Environment, Public Health and Consumer Protection	The committee decided not to give an opinion.	
PECH Fisheries	ROUBATIS Yiannis (PSE)	26/02/1997
FEMM Women's Rights	VAN DIJK Nel B.M. (V)	20/03/1997

Council of the European Union

Key events

Date	Event	Reference	Summary

06/11/1996	Non-legislative basic document published	COM(1996)0542	Summary
17/01/1997	Committee referral announced in Parliament		
09/10/1997	Vote in committee		Summary
09/10/1997	Committee report tabled for plenary	A4-0324/1997	
18/11/1997	Debate in Parliament		
19/11/1997	End of procedure in Parliament		
08/12/1997	Final act published in Official Journal		

Technical information

Procedure reference	1996/2274(COS)
Procedure type	COS - Procedure on a strategy paper (historic)
Procedure subtype	Commission strategy paper
Legal basis	Rules of Procedure EP 148
Stage reached in procedure	Procedure completed
Committee dossier	REGI/4/08503

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A4-0324/1997 OJ C 358 24.11.1997, p. 0003	09/10/1997	
Text adopted by Parliament, single reading		T4-0564/1997 OJ C 371 08.12.1997, p. 0048-0089	19/11/1997	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(1996)0542	06/11/1996	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES0469/1997 OJ C 206 07.07.1997, p. 0078	23/04/1997	Summary
CofR	Committee of the Regions: opinion	CDR0076/1997 OJ C 379 15.12.1997, p. 0034	17/09/1997	

Economic and social cohesion. 1st report

1996/2274(COS) - 19/11/1997 - Text adopted by Parliament, single reading

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.

Economic and social cohesion. 1st report

1996/2274(COS) - 06/11/1996 - Non-legislative basic document

OBJECTIVE: This, the first Commission report on economic and social cohesion in 1996 concerns the impact of structural aid on economic and social development in the EU's regions. In particular, the document analyses the effects of the Structural Funds and the efforts made by the EU and the Member States to reduce regional disparities over the past ten years. One of the main lessons of the report is that whilst the development gap between Member States is tending to become narrower it is growing wider between the regions. SUBSTANCE: Social and economic fortunes - over the past decade, economic growth in the EU has averaged 2% a year, whilst employment has grown at only 0.5% a year. Disparities in per-capita income between Member States have narrowed significantly over the same period. This is largely because the cohesion countries (Spain, Portugal, Greece and Ireland) have caught up, with per-capita income rising from 66% to 74% of the Community average. Ireland has shown the most remarkable performance with an average annual growth rate of 4.5% between 1983 and 1995. The experience with regard to employment was more mixed. Across the EU as a whole, the incidence of unemployment have become much more uneven: from 1983 to 1993, the 25 regions with the lowest rates of unemployment were able to reduce their rate to 4.6% whilst the regions with the highest rates saw them increase to 22.4% of the workforce. - effect of the Community contribution on the different Member States: according to the document, the primary purpose of Community transfers is not to redistribute money. Instead they are intended to strengthen the economic base in the recipient regions, including human capital formation. EU structural policies have contributed to a significant narrowing of the gaps between poorer and richer Member States but not unfortunately between the regions themselves. The added value of the EU's structural policies mainly takes the form of innovation with undeniable advances in terms of environmental protection, creation of infrastructure, education and training. At the same time, income disparities between rich and poor regions widened (in the twenty-five best-off regions, per- capita income rose from 140% to 142% of the EU average whilst in the poorest regions it rose from 53% to 55%). The main role of Community support has been to help the Member States target resources on the most serious problems and the most severely affected regions. - Outlook: the EU faces major challenges including globalization, rapid technological change, EMU and enlargement. The Commission believes that the European model of society remains the most appropriate framework for confronting them. Market forces and entrepreneurial initiative are necessary as are solidarity and mutual support. Cohesion must therefore be further strengthened. The report avoids making concrete proposals for change. Rather, a number of themes are identified as a basis for further discussion. It does, however, provide several pointers for the future of cohesion policy: - how to secure sufficient investment (including human resource development); - how to favour job creation; - how to make national structural and social programmes more effective in coping with widening disparities. In any event, the Commission believes that cohesion policies must be more effective and better tailored to citizens' needs. Efforts must be concentrated on job creation, research and development, environmental protection and equal opportunities. Several issues remain outstanding at EU level. The overriding one is how to improve the effectiveness of Community action: - scarce resources must be better targeted to the most serious problems; - the best combination should be made of subsidies and loans and public and private funds; - procedures should be simplified; - the respective roles of the Member States and the EU

should be clarified and participation at regional and local level should be increased; - sufficient flexibility must be maintained in order to respond to new challenges and opportunities. The Commission also mentions the problem of additionality of EU transfers, the Member States' capacity for absorbing credit, and the problem of injecting more competition into the allocation of resources. Finally, it underlines the problem of the budgetary austerity programmes launched in the Member States. The main question is how to balance budgetary discipline with solidarity towards the poorest Member States and regions and towards the most disadvantaged regions and people in the wealthiest Member States.

Economic and social cohesion. 1st report

1996/2274(COS) - 23/04/1997 - Economic and Social Committee: opinion, report

The opinion analyses the various chapters of the report and puts forward recommendations for the revision of the funds for the next programming period.