Basic information

2002/2094(COS) COS - Procedure on a strategy paper (historic) Economic and social cohesion: consequences of enlargement, policy after 2006. 1st report **Subject** 4 Economic, social and territorial cohesion 4.15 Employment policy, action to combat unemployment 4.40 Education, vocational training and youth 8.20.08 Enlargement's economic and monetary point of view 8.20.20 Enlargement's employment and social point of view	Procedure completed

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
RETT Regional Policy, Transport and Tourism	SCHROEDTER Elisabeth (V/ALE)	21/02/2002

Committee for opinion	Rapporteur for opinion	Appointed
AFET Foreign Affairs, Human Rights, Common Security, Defense	VÄYRYNEN Paavo (ELDR)	22/04/2002
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
AGRI Agriculture and Rural Development	BAUTISTA OJEDA Carlos (V/ALE)	28/05/2002

Council of the European Union

Council configuration	Meetings	Date
General Affairs	2437	2002-06-17

European Commission

Commission DG	Commissioner
Regional and Urban Policy	

Key events

Date	Event	Reference	Summary
		COM(2002)0046	Summary

30/01/2002	Non-legislative basic document published		
13/05/2002	Committee referral announced in Parliament		
08/10/2002	Vote in committee		Summary
08/10/2002	Committee report tabled for plenary	A5-0354/2002	
06/11/2002	Debate in Parliament		
07/11/2002	Decision by Parliament	T5-0535/2002	Summary
07/11/2002	End of procedure in Parliament		
22/01/2004	Final act published in Official Journal		

Technical information

Procedure reference	2002/2094(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	RETT/5/16209

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, single reading		A5-0354/2002	08/10/2002	
Text adopted by Parliament, single reading		T5-0535/2002 OJ C 016 22.01.2004, p. 0017-0104 E	07/11/2002	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2002)0046	30/01/2002	Summary
Non-legislative basic document	COM(2003)0034	30/01/2003	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofR	Committee of the Regions: opinion	CDR0101/2002 OJ C 066 19.03.2003, p. 0011-0013	10/10/2002	

Economic and social cohesion: consequences of enlargement, policy after 2006. 1st report

2002/2094(COS) - 30/01/2002 - Non-legislative basic document

PURPOSE : the Commission's first progress report on economic and social cohesion. CONTENT : This progress report on cohesion has two principal objectives: -to update the analysis of economic and social cohesion presented in the Second Cohesion Report of January 2001, including for the first time, an analysis of disparities in a Europe of 25 in the light of the enlargement to include the 10 new Member States, which according to the Laeken European Council, will be ready to join the EU in 2004; -to outline the state of the debate on future cohesion policy for the period after 2006, and to prepare the next steps. In terms of regional incomes (GDP), the analysis confirms a major fall in the average level of GDP per head as the Union enlarges to 25 or 27 Member States and a widening of regional and territorial disparities on a scale without precedent in any previous enlargement. In a Europe of 25 (excluding Romania and Bulgaria who, in their negotiating position, foresee accession at a later stage) the disparities are narrower, and the increase in the relative prosperity of regions in the 15 less pronounced, compared with the situation in the Europe of 27. According to 1999 data, in passing from 15 to 27 Member States, average GDP per head falls by 18%, and by only 13% in a Europe of 25. In terms of employment, there is a general improvement across EU15. A mixed picture emerges in the candidate countries. Where the EU saw a net gain of 3 million jobs in the year 2000, the candidate countries lost some 600000 jobs. The candidate countries' long-term growth rate has tended to exceed that of the Member States by nearly 1% per annum on average. There are, however, wide disparities in levels of income and employment which are unlikely to be reduced appreciably before the long-term. An additional factor is a possible downturn in economic performance in Europe. With regard to human resources, there are a number of challenges: the sheer scale of regional imbalances in the labour market and economic development following enlargement; the polarisation of the labour market and society; the increasing skill need; the persistent gender inequality; the need for modernisation of economic and social systems in response to demographic changes, and the growing pressures from migration and mobility. The debate on cohesion policies after 2006 is only just beginning and very few national governments have so far committed themselves to a particular position. The priorities identified by the Commission are as follows: -cohesion policy should continue to target the least developed regions. While a number of alternative ways for identifying these regions has been put forward, there does not seem to be a viable alternative synthetic indicator to that of GDP per head, as currently used for Objective 1. The need to target aid on the regions in the candidate countries is generally uncontested, but the Objective 1 regions in EU15 - that would otherwise lose their priority status as their relative prosperity increases in an enlarged EU - should not experience a cut-off of aid, especially where this is due to the statistical effect of enlargement. There is no clear consensus, however, on how to ensure equal treatment for these regions that have yet to complete the process of economic convergence with the rest of the Union. At regional level, there is a clear demand the future policy should not focusexclusively on the least developed regions. It should continue to take account of urban areas, areas undergoing economic restructuring or with permanent natural handicap as well as the cross-border dimension. -cohesion policies should also target the Lisbon objectives: more and better jobs, greater social inclusion, equal opportunities, and continued push towards the knowledge-based society. On financial aspects and management, the efficient use of resources requires that the national and regional authorities concerned address challenges at the administrative level, the financial level and the economic level. In the light of experience, the Commission remains attached to three principles: -sound and efficient management; -transfers conditioned by results, exemplified by the introduction of the performance reserve for 2000-06. -due account of absorptive capacity. The existing acquis provides for a ceiling on total transfers to Member States of 4% of national GDP. The Commission has said this ceiling could be raised after 2006, for example to permit the realisation of certain major projects of particular Community interest, financed by the Cohesion Fund.

Economic and social cohesion: consequences of enlargement, policy after 2006. 1st report

2002/2094(COS) - 30/01/2003

PURPOSE : to present the second progress report from the Commission on economic and social cohesion. CONTENT : this report consists of a summary of the 'great debate' on the future of European regional policy for the period beginning in 2007 in the context of an enlarged European Union. It sets the agenda for the Commission's proposals, which will be published before the end of 2003 for a revised regional policy capable of responding to the needs arising not only in the new Member States but also in the Fifteen. The report mainly deals with 3 topics: - analysis of the situation and trends concerning economic and social cohesion in the EU with 15 and with 25 Member States; - the main topics of the debate on future cohesion policy in 2002; - preparing for enlargement up to the end of 2006. 1) Economic and Social Cohesion: the report states that EU enlargement in 2004 will present an unprecedented challenge for cohesion. Several factors need to be considered, including: - an unprecedented widening of economic disparities within the Union: the gap in per capita GDP between the 10% of the population living in the most prosperous regions and the same percentage living in the least prosperous ones will more than double in EU 25 compared with the situation in EU15. - the geographical shift in the pattern of disparities: in EU25, 116 million people, or 25% of the total population, will live in regions with a per capita GDP below 75% of the EU average as opposed to 68 million people, or 18% of the total, in EU15. - a less advantageous employment situation : three million jobs will have to be created if the average level of employment in the new Member States is to be aligned with that of the rest of the EU. On the other hand, other factors demonstrate the economic potential of an enlarged EU: the candidate countries in general have had a higher rate of economic growth than the present Member States and overall will help raise the average level of education in the Union. 2) The debate on future cohesion policy continues : this debate has remained intense throughout 2002 since the publication of the first progress report a year ago. Contributors have stressed the added value of EU regional policy in generating jobs and incomes in less well-off Member States and regions, promoting territorial integration, achieving Community priorities, and contributing to better governance. The following issues emerged as central to the agenda for future policy: - less developed regions : the need to continue to concentrate resources on the less developed regions; the definition of these regions; the contributions to the debate have not seriously questioned the continued use of the present eligibility criteria based on regional GDP; - special cases : demands for special treatment, for some of today's generation of less developed (Objective 1) regions; the future of the least densely populated regions in the North and outermost regions; - action outside the less developed regions : between 2000-06, approximately one-third of the Structural Funds is allocated to regions which are not eligible under Objective 1. This is becauseof the many problems faced even in relatively prosperous Member States where the Union has a

particular added value to contribute in terms of raising competitiveness, promoting sustainable development, and contributing to economic restructuring; - co-operation : co-operation across frontiers and between regions should be continued beyond 2006 on the basis of new cross-border legal frameworks; - simplification and greater decentralisation of responsibilities is an issue to be addressed both for current and future programmes. There is a general agreement that current management systems with very detailed rules are inappropriate, given the vast differences in needs, types of assistance and resources made available. There is also wide recognition that enlargement will aggravate the tension between the need for a more decentralised delivery system and the need for effective control. An avenue to be explored is that of a contractual approach involving the Commission, the national authorities, and the regional authorities perhaps in some official tripartite arrangement. - financial resources : the Union will need to take account of the unprecedented scale of disparities in an enlarged Union. The Commission will put forward its proposals on the new financial perspective in due course. Many contributions to the debate, especially at regional level, relate to a figure equivalent to 0.45% of EU GDP as a minimum level for the resources to be allocated to cohesion policy for the period after 2006, a position which was endorsed notably by the European Parliament; 3) Preparing for enlargement up to the end of 2006 : the Copenhagen European Council in December 2002 finally opted for an envelope of almost Euro 21.7 billion for the Structural Funds and the Cohesion Fund for the period 2004-06. Aid from the Structural Funds will inevitably be delivered mainly through Objective 1 programmes. One third of the global financial allocation will be delivered through the Cohesion Fund. 4) Future deadlines : the third report on economic and social cohesion will be adopted at the end of 2003. Wide-ranging consultations will take place in 2003, including a major event in March 2003 on the future management of the Structural Funds. There are also plans to arrange consultations on the proposals of the third report in 2004 as part of a Forum on cohesion. Lastly, it should be noted that the Commission will present its overall proposals for all policies together with the financial perspectives for the period after 2006. The objective is to ensure that 2006 is devoted to the negotiations with the Member States and the regions on the new programmes for 2007-13.

Economic and social cohesion: consequences of enlargement, policy after 2006. 1st report

2002/2094(COS) - 07/11/2002 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution based on the draft by Elisabeth SCHROEDTER (Greens/EFA, Germany) on economic and social cohesion. (Please refer to the document dated 09/10/02.) With regard to enlargement, Parliament insisted on the necessity of carefully adapting Community assistance within the cohesion policy framework to the specific needs and socio-economic realities (which have resulted from their unique history and economic and political transition) of future Member States. It reminded the candidate countries of the imperative need to further improve their administrative capacity and coordination mechanisms in their preparations for the management of the Structural Funds. Parliament asked the Commission to make the planning and implementation of the cohesion policy more effective and more flexible. It would be appropriate to gradually decentralise the management of funds provided that this is combined with an effective and rigorous monitoring of their use.