

European Union Public Policy

Professor John Wilton

Lecture 11

**Regions and the E.U. public
policy process**

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1. What do we mean by ‘Regions’, plus the importance of regions in the E.U. integration project;
2. What do we mean by E.U. regional policy;
3. The development of E.U. regional policy

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1. What do we mean by 'Regions', plus the importance of regions in the E.U. integration project
 - E.U. predominantly defined regions by economic criteria
 - but social, cultural and political factors interact with economic

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- in E.U. concept of *regionalism* linked to concept of *subsidiarity*
- greater E.U. integration raised importance of regions
- increased pressure on nation-state;
 1. internal
 2. external

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- 1985 Council of European Regions
- 1993 Committee of the Regions
(established in the Maastricht Treaty)

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2. What do we mean by E.U. regional policy

- aim of E.U. regional policy is to promote *solidarity*
 - produce *cohesion* in E.U.
- 254 regions, 450 million people (prior to accession of Romania and Bulgaria)

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- entire territories of 10 new Member States of May 2004 designated as falling within *Objective 1* of E.U. Structural Funds
- two-thirds of new E.U. citizens from 2004 accession states lived in regions with GDP per head of less than half average GDP of all 25 E.U. states

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E.U. Regional funds:

1. The Structural Funds

- a) European Regional Development Fund;
- b) European Social Fund;
- c) Financial Instrument for Fisheries Guidance;
- d) European Agricultural Guidance and Guarantee Fund.

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94% of Structural Funds for 2000-2006 was concentrated on 3 objectives;

Objective 1: Helping regions whose development was lagging behind to catch up;

Objective 2: Supporting economic and social conversion in industrial, rural, urban or fisheries dependent areas facing structural difficulties

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Objective 3: Modernising systems of training and promoting employment.

2. The Cohesion Fund

- assist least prosperous E.U. countries
i.e. 10 newly acceded 2004 Member States, plus Greece, Spain, Portugal and (until end of 2003) Ireland

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Procedures and process of Regional policy and Structural Funds:

1. European Council decides budget of Structural Funds and rules governing use;
2. States and regions formulate proposals within European Commission thematic guidelines;

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3. Plans presented to European Commission;
4. Discussion of plans and funding between States and European Commission;
5. If agreed, Commission adopts plans and programmes and provides funding advance to States;
6. National or regional authorities decide details of programmes autonomously

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7. European Commission examines budgetary and planning/implementation control systems and disburses remainder of contribution from Structural Funds accordingly

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European Commission thematic guidelines for Regional development and Regional policy:

1. To improve Regional competitiveness;
2. To increase and improve employment;
3. To balance development in urban and rural areas

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1. The development of E.U. regional policy

1957 – Treaty of Rome – “ensure harmonious development by reducing the differences existing among the various regions and the backwardness of the less favoured regions”.

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1958 – European Social Fund set up

*1975 – European Regional
Development Fund* created

1986 – Single European Act lays basis
for *cohesion policy*

1992 – Maastricht Treaty designates
cohesion as one of E.U. main
objectives

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1993 (Dec.) Edinburgh E.U. Council

meeting allocates 1/3rd of E.U. budget
1994-99 to cohesion policy

2000 (Dec.) Nice E.U. Council meeting

adds social inclusion and poverty
reduction strategy to cohesion policy

2001 (June) Gothenburg E.U. Council

meeting adds environmental protection
emphasis to cohesion policy

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2004 (Feb.) European Commission adopted
‘A new partnership for cohesion in the
enlarged Union: convergence,
competitiveness, co-operation’
= 3rd report on economic and social
cohesion

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Described E.U. vision of cohesion policy for period 2007-2013, and priorities as:

- **Convergence:** support employment growth and job creation in Member States and least developed regions;
- **Regional competitiveness and employment:** anticipate and encourage the change;

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3. European territorial co-operation: ensure harmonious and balanced development throughout the entire Union

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Policy for development of 7 Czech Regions:
“Infrastructure” Operational Programme for
the 2004-2006 period, within Objective 1
framework:

Priority 1: Modernisation and development
of transport infrastructure of national
importance;

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Priority 2: Reducing the negative environmental impacts of transport;

Priority 3: Environmental infrastructure improvement