- 26. Expects that the incentives for upgrading human resources will be tailored to the needs and growth markets of the future; calls therefore for more intensive efforts to ascertain future demand for qualified services and to support technology transfers to SMEs;
- 27. Draws attention to the importance of encouraging programmes with special measures to encourage the return to work of unemployed people aged over 40, who form a group that is difficult to adapt to the new technologies and modern business requirements;

#### Industry

- 28. Considers it important that the research infrastructure should be expanded, particularly in the countries eligible under the Cohesion Fund, by siting higher education and other educational establishments so that they serve inhabitants of the less-developed areas better than in the past and make it easier for educated people to remain in their places of origin.
- 29. Calls on the Commission and the Member States to give greater attention to programmes which make use of energy with a low energy consumption and invest in sources of renewable energy, so as to achieve sustainable regional development;

### Competition Policy

30. Reiterates the essential need for programmes promoted by national or regional authorities to fully conform to European Union competition policy and rules, particularly in the application of such policy and rules in the area of state aids;

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31. Instructs its President to forward this resolution to the Council and Commission.

# 8. Social and economic situation and development of the regions of the Union

#### A5-0107/1999

European Parliament resolution on the Sixth Periodic Report on the Social and Economic Situation and Development of the Regions of the European Union (SEC(1999) 66 - C5-0120/1999 - 1999/2123(COS))

The European Parliament,

- having regard to the Sixth Periodic Report (SEC(1999) 66 C5-0120/1999),
- having regard to Article 8 of Regulation (EEC) No 2083/93 of 20 July 1993 on the reform of the ERDF (¹),
- having regard to Council Regulation (EEC) No 2082/93 of 20 July 1993 amending Regulation (EEC) No 4253/88 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards coordination of the activities of the different Structural Funds between themselves and with the operations of the European Investment Bank and the other existing financial instruments (2),
- having regard to Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds from 2000 (3),
- having regard to Articles 2 and 3(2) of the EC Treaty stating the Community's tasks include promoting equality between women and men and eliminating inequalities, and having regard to the fourth medium-term Community action programme on equal opportunities for women and men (1996-2000) (COM(1995) 381) and its resolution of 17 November 1995 on this programme (4),

<sup>(1)</sup> OJ L 193, 31.7.1993, p. 34.

<sup>(</sup>²) OJ L 193, 31.7.1993, p. 20.

<sup>(3)</sup> OJ L 161, 26.6.1999, p. 1.

<sup>(4)</sup> OJ C 323, 4.12.1995, p. 167.

- having regard to the Commmission's first report on economic and social cohesion (COM(1996) 542
   C4-0016/1997) and its resolution thereon of 19 November 1997 (¹),
- having regard to the European Spatial Development Perspective (ESDP) and to its resolution of 2 July 1998 on regional planning and the European Spatial Development Perspective (2),
- having regard to Rule 160 of its Rules of Procedure,
- having regard to the report of the Committee on Regional Policy, Transport and Tourism and the opinion of the Committee on Fisheries (A5-0107/1999),
- A. whereas strengthening economic and social cohesion is, according to Articles 2 and 158 of the EC Treaty, one of the European Union's principal objectives, which is supported by the creation of the internal market and the establishment of economic and monetary union,
- B. whereas the structural policy has been reformed with a view to achieving concentration, simplification and efficiency and the accountability of the Member States and regions has been increased,
- C. whereas the Community's regional and structural policies are geared to the long term and the existing financial framework for these policies should be borne in mind,
- D. whereas, pursuant to Article 299(2) of the EC Treaty, aid for sustainable development of the outer-most regions, support for the emergence of competitive, innovative sectors in these regions, dealing with situations where development is lagging behind and compensation for the permanent and cumulative handicaps such regions face all constitute a renewed obligation on the Union in terms of its goal of social and economic cohesion,
- 1. Notes with satisfaction the submission of the Sixth Periodic Report, which, together with the Fifth Periodic Report and the first report on cohesion published in 1996, gives a comprehensive and detailed description of the economic and social situation of the Union's regions and the trends in this respect and forms a sound basis for the formulation of structural policy priorities at Union level;
- 2. Welcomes the fact that from year to year these reports have improved in terms of the quality of the development factors described and analysed and in particular that the analysis of 'soft' factors which are difficult to measure has been included; welcomes the extension of the period covered, which allows economic fluctuations to be accounted for:
- 3. Notes that the report includes numerous references to the uncertainties of the statistical parameters and reiterates its concern that efforts in relation to definition, collection and analysis of representative indicators should be stepped up, in particular at regional level and for the central and eastern European countries; regrets that the interaction of individual factors is not analysed and proposes that in future greater account should be taken of the complex links between cause and effect;
- 4. Welcomes the crossing of a quality threshold in the analysis of regional data but notes, nevertheless, the progress which is still needed in terms of understanding; regrets, however, the absence of any specific analysis concerning islands and very peripheral regions which, to varying degrees, face particular situations; considers, in this context, the implementation of the ESDP to be important so as to achieve balanced spatial development in particular for the islands and remote regions of the European Union;
- 5. Applauds the overall quality of the second part of the periodic report on factors relating to competitiveness, which offers new and interesting perspectives in relation to a balanced and polycentric development plan for Europe and sums up extremely well the central-peripheral aspects of Europe in terms of competitiveness;
- 6. Notes with satisfaction that some of the recommendations made in its resolution of 29 June 1995 (3) on the Fifth Periodic Report have been taken up by the Commission in its Sixth Report, including in particular the recommendation concerning competitiveness and enlargement; recognises that the requested analyses of the effects of government subsidies and of national and Community policies are contained in the first report on cohesion published in 1996;

<sup>(1)</sup> OJ C 371, 8.12.1997, p. 89.

<sup>(2)</sup> OJ C 226, 20.7.1998, p. 42.

<sup>(3)</sup> OJ C 183, 17.7.1995, p. 33.

- 7. Emphasises the need to prevent the combination of the report on cohesion and the periodic report to form one three-year report on economic and social cohesion from resulting in any loss of substance; calls on the Commission to extend the analyses relating to the regions' competitiveness to include the Central and Eastern European countries in its next report; calls repeatedly on the Commission to analyse the need for recuperation and emergence of the informal economy as an important factor in a region's economic situation;
- 8. Questions the effects of enlargement with regard to the distribution of structural funds and in particular the repercussions for the outermost regions; Calls on the Commission to devote a specific chapter in its next report on economic and social cohesion to consideration of the impact of the measures adopted under Article 299(2) of the EC Treaty, on the economic and social development of very peripheral regions;
- 9. Notes with satisfaction the progress made by a large number of poor regions in Europe in recent years, given that these regions are basically those which started from a very low level and which during the statistical period under consideration have benefited from European integration; stresses, however, that the marked progress in per capita GDP noted between 1991 and 1996 (from 45 to 59, index = 100) relates also to the catching up by the German Länder eligible under Objective 1 and that without these areas growth is limited (from 56 to 61, index = 100);
- 10. Notes with satisfaction that the poorest regions are catching up in terms of per capita GDP; notes with concern that in Europe as a whole this trend is mainly due to an increase in productivity and to only a limited extent to an increase in employment; calls on the Commission and the Member States to take appropriate account of the effect of the measures adopted on employment when selecting development strategies;
- 11. Recognises that the tendency towards nominal convergence at national level is not yet accompanied by real convergence at regional level in all sectors; points out that differences increasingly obtain between the regions and that the differences between the poorest and richest regions are still very pronounced; notes with concern that the rise in unemployment has affected the regions to widely differing degrees; stresses the disturbing fact that unemployment in the 25 regions most affected stands at an average of 23,7 %, while in the 25 least affected it is only 4 %; notes the existence of a correlation between unemployment and low income per capita levels, and that unemployment should no longer be considered linked to restructuring processes in the industrialised countries; calls for greater account to be taken of conditions in individual regions, including long distances, low population density and harsh climate, and, especially, the causes of unemployment; calls for the dimension of territorial cohesion in its national, interregional and crossborder aspects to be included in future in the triennial reports on economic and social cohesion;
- 12. Stresses that a spatial analysis of the development in regional GDP clearly shows much more complex regional disparities in relation to three basic phenomena, which would call for the strengthening of Europe's territorial cohesion:
- continuation of very strong growth in central areas of Europe and thus a strengthening of the most dynamic European zones above the Community average,
- the catching up by certain Iberian regions, Ireland and L\u00e4nder covered by Objective 1 which contrasts
  with the poor growth in most Greek regions, a large part of the Mezzogiorno, islands and other
  Iberian regions,
- the poor growth well below the Community average of many peripheral regions that are not eligible under Objective 1; this applies in particular in the Scandinavian countries, in France and to a lesser extent in the United Kingdom and Italy;
- 13. Recalls the reference in the report to 50% of unemployment being due to structural unemployment; endorses the Commission's contention that a broad economic base is the prerequisite for a region's positive development and for the creation and preservation of jobs; maintains that the promotion of competitiveness and environmental sustainability of trade and industry and the promotion of infrastructure for economic activity must be the focus of structural policy;
- 14. Stresses that the employment situation in the various regions of the Member States is so specific that authorities in the Member States ought to bear prime responsibility for measures to promote employment; hopes that the Commission will operate its programmes as a supplement to national policy;

- 15. Emphasises the need for integrated measures to combat structural unemployment; refers in particular to the need for retraining and continuing training schemes for workers;
- 16. Refers to the positive impact that small and medium-sized enterprises have on employment; points out that an interest should be taken in strengthening the entrepreneurial potential of SMEs and that services for SMEs should be further improved; points out that, if promotional funds are to be used efficiently, promotional measures must be coordinated with the wide-ranging promotion of SMEs and the establishment of new firms; considers that less developed regions should have the opportunity to use financial incentives which do not distort competition in order to create a level playing field for businesses, for example to solve problems arising from long distances; takes the view that in this way support could be provided for the siting of businesses in such regions;
- 17. Points out that uncontrolled population movements accentuate regional disparities in many regions, as regions of emigration enter a spiral of contraction and their infrastructure is underused, while regions of immigration face problems because basic services are inadequate;
- 18. Emphasises the need for the Commission and Member States to gear policy strategies to the business community's economic requirements, especially where these are related to job creation;
- 19. Notes with concern the increasing exclusion of certain people from the labour market, in particular the above average proportion of unemployed women and young people, reminds the Member States and the Commission of their obligation under the structural fund provisions to ensure equality of opportunity; supports the Commission's efforts to integrate the policies geared towards these population groups with other policies; considers it necessary that analysis of the requirements for improved integration of these population groups should be stepped up as a basis for successful strategies for action;
- 20. Draws attention to its great concern over the major imbalances in research and development; points out in this context the significance of the transfer of technologies and know-how in triggering innovative activity in undertakings or as a precondition for transforming R&D results into innovative products; proposes to the Commission and the Member States that exchange of knowledge between the regions should be improved to maximise the spill over effects of scientific and technical progress and to encourage integration into the production process;
- 21. Draws particular attention in this connection to the opportunities offered by telecommunications; stresses the need to expand the connections, in particular in less-favoured and remote regions;
- 22. Considers the influence of 'soft' factors on growth and employment to be very important; shares the Commission's view that the structural policy gives positive encouragement for the efficiency of national administrations; considers, in this connection, that the Commission's monitoring and control functions are extremely important;
- 23. Refers repeatedly to the important role played by local and regional authorities and the voluntary sector and actors in the removal of regional and social inequalities; welcomes the partnership targets in the context of structural policy; emphasises the importance of institutional and social networks for competitiveness; refers to the favourable effects of structural policy in terms of the creation of a culture of cooperation;
- 24. Calls on the Commission to improve the legal bases for cooperation between regions in the Member States and the applicant countries;
- 25. Emphasises that, where co-financing is concerned, the Community's financial contribution can lead to no more than the gradual removal of economic and social imbalances; calls on the Commission to carry out an accurate evaluation of the Member States' activities in regions for which Structural Fund resources have been approved and to be strict in its monitoring; urges the Member States to ensure that financial or political operations in regions qualifying for assistance strengthen and underpin the goal of economic and social cohesion;
- 26. Draws attention to the special need to consolidate the budget as a prerequisite for the success of economic and monetary union and the enlargement of the Union to the east;

- 27. Calls on those Member States that have not yet submitted an adequate map of development regions to do so forthwith and calls on the Commission to examine with due speed the operational programme for the regions for the new support period (2000-2006) in the light of the results of the sixth periodic report and to do everything possible to ensure that this support period can begin without any delay;
- 28. Regrets the Commission's failure to include mention in its Sixth Report of the importance at regional level, in many of the EU's regions, of the fisheries sector as an endogenous factor of economic and social development, or of the resultant need to maintain a structural policy taking account of its particularities with a view to effectively contributing to economic and social cohesion in the Union's regions;
- 29. Instructs its President to forward this resolution to the Council and the Commission.

# 9. Modernisation of the rules implementing former Articles 85 and 86 of the EC Treaty

## A5-0069/1999

European Parliament resolution on the Commission White Paper on modernisation of the rules implementing Articles 85 and 86 of the EC Treaty (COM(1999) 101 - C5-0105/1999 - 1999/ 2108(COS))

The European Parliament,

- having regard to the Commission White Paper on modernisation of the rules implementing Articles 85 and 86 of the EC Treaty (¹) (COM(1999) 101 C5-0105/1999),
- having regard to its resolution of 18 July 1997 (2) on the Commission's Green Paper on vertical restraints in EC competition policy,
- having regard to its resolution of 9 February 1999 (3) on the 27th report of the Commission on competition policy,
- having regard to its opinions of 15 April 1999 (4) on the proposal for a Council regulation (EC) amending Regulation No 19/65/EEC on the application of Article 85(3) of the Treaty to certain categories of agreements and concerted practices, and on the proposal for a Council regulation (EC) amending Regulation No 17: First Regulation implementing Articles 85 and 86 of the Treaty,
- having regard to the results of a hearing on the subject in the Committee on Economic and Monetary Affairs of 22 September 1999,
- having regard to Rule 160 of its Rules of Procedure,
- having regard to the report of the Committee on Economic and Monetary Affairs (A5-0069/1999),
- A. whereas competition policy is a fundamental element of the social market economy,
- B. whereas an effective competition policy will promote the competitiveness of European businesses,
- C. whereas an effective competition policy is, in particular, also in the interests of consumers, as competition constantly compels enterprises to make available better and cheaper products and services,
- D. whereas the existing system for implementing European competition rules has remained virtually unaltered since its inception in the early years of the Community, although the context has changed radically,

<sup>(1)</sup> Now Art. 81 and 82 of the EC Treaty.

<sup>(2)</sup> OJ C 286, 22.9.1997, p. 347.

<sup>(3)</sup> OJ C 150, 28.5.1999, p. 53.

<sup>(4)</sup> OJ C 219, 30.7.1999, pp. 422 and 424.