

## Opinion of the European Economic and Social Committee on 'Industrial change, territorial development and responsibility of companies'

(2009/C 175/11)

On 17 January 2008 the European Economic and Social Committee, acting under Rule 29(2) of its Rules of Procedure, decided to draw up an own-initiative opinion on

*Industrial change, territorial development and responsibility of companies.*

The Consultative Commission on Industrial Change, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 18 November 2008. The rapporteur was Mr Pezzini and the co-rapporteur was Mr GAY.

At its 449th plenary session, held on 3 and 4 December 2008 (meeting of 3 December), the European Economic and Social Committee adopted the following opinion by 168 votes to one with three abstentions.

### 1. Conclusions and recommendations

1.1 The Committee feels that it is essential, in the context of the Lisbon and Gothenburg Strategies, to reinvigorate local networks, in other words organic groups of public and private operators, structures and infrastructure which, in joint initiatives for local development, combine high levels of prosperity and competitiveness with social and environmental responsibility across the board. This is basically a process which defines the result of a series of interactions at each point in the area.

1.2 The Committee strongly advocates a **Community initiative on the development of 'socially responsible regions' (SRRs)**, flanking the objectives of grassroots democracy with plans to make administrations and all public and private operators shoulder their responsibilities, working towards an integrated strategy of making the best use of local resources to increase competitiveness.

1.3 The Committee calls for the SRR initiative to be accompanied by a **European action plan** aimed at:

- promoting the introduction of the territorial dimension in EU policies, particularly in the context of the Lisbon and Gothenburg Strategies;
- fostering the incorporation into national, regional and local policies of the priorities set out in the Territorial Agenda and Leipzig Charter;
- encouraging and co-funding territorial participatory foresight exercises, aimed at generating a shared vision of socially responsible territorial development; and
- launching regional networks of excellence and European Groupings of Territorial Cooperation on this subject.

1.4 In the follow-up to the SRR Community initiative <sup>(1)</sup> and related action plan, the Committee thinks that:

- the Community should substantially relieve the administrative and bureaucratic burden on the regions' economic and

social operators, by simplifying the content and the procedures used by the EU and applying the 'open method of coordination';

- Member States should apply Community provisions uniformly, so as to preserve the unity of the EU internal market;
- local and regional authorities should fully involve economic and social operators and develop compatibility strategies as regards cooperation, innovation and competition; and
- the private sector should foster constructive social dialogue encompassing civil society focused on a shared vision that anticipates industrial change.

1.5 The Committee strongly supports the development of grassroots democracy that can involve the regions' political, economic and social operators in measures aimed at increasing quality of life and stimulating **competitive, sustainable economic and social development of EU regions**.

1.6 The Committee feels that major investment is needed in **developing a shared, innovative and participatory culture**. The call for democratic values must come from the regional community concerned as a whole, and from a large number of operators and institutions representing the interests of the various sectors of activity. In this context businesses should be seen as a community which generates wealth with a view to the development of a better society in the region.

1.7 In this regard, the Committee calls for a rapid follow-through on the European Council's comments of 13 and 14 March 2008 on (i) the key role of the local and regional level in delivering growth and jobs and (ii) the importance of developing all political, economic and social operators' local/regional governance abilities.

<sup>(1)</sup> Cf. point 1.2.

1.8 The Committee also firmly believes that Europe needs to become **a centre of excellence in the development of SRRs** <sup>(2)</sup>, building on successes with EMAS and Corporate Social Responsibility (CSR) and expanding the reference framework to the regional dimension. The aim here is to ensure that the joint heritage of responsibility is a constant factor for **employers**, who must be able to benefit from networks and clusters and be fully involved in the macroeconomic process of regional strategic development.

1.9 In particular, the Committee thinks that micro and small **businesses** and the social economy, with its vast and significant experience, should be able to benefit from assistance, expertise and improved access to credit and micro-credit, with the aim of developing a form of business management that respects the environment, the region and its inhabitants.

1.10 The Committee feels that the Community SRR initiative and its action plan should also promote local structured social dialogue and encourage twinning between local institutions, especially across borders. Stronger partnerships should boost the overall capacity-building, expertise and performance of regional authorities with different performance levels which often find themselves competing with each other.

1.11 Lastly, the Committee stresses the importance of multi-level governance systems which ensure high levels of coordination, so as not to separate at local level that which the single market has brought together, preventing regional dispersion and discrimination which would make the European economy even weaker on international markets.

## 2. Introduction

2.1 At the EU Council Presidency Conference on territorial dialogue, held on 4 March 2008, the role of local and regional communities in achieving the revised Lisbon objectives was stressed as a priority of cohesion policy.

2.2 With this opinion the Committee seeks to define the relationship between regions and political, economic and social operators with a view to implementing the Lisbon Strategy and building a competitive knowledge-based economy on the internal and international markets.

2.3 The starting point is enhancing the ability to anticipate economic, social and environmental change and the organisation of those helping to build a **'socially responsible region' (SRR)** <sup>(3)</sup> and defining the responsibilities of businesses, administrations, the social partners and all those helping to make the region more competitive while focused on a dynamic, inclusive, cohesive European social model <sup>(4)</sup>.

<sup>(2)</sup> Cf. point 1.2

<sup>(3)</sup> Cf. point 1.2.

<sup>(4)</sup> 'The European Social Model should provide an idea of a democratic, green, competitive, solidarity-based and socially inclusive area for all citizens of Europe.' (EESC Opinion on *Social cohesion: fleshing out a European social model*, OJ C 309 of 16.12.2006, page 119).

2.4 Depending on their composition, regional economies can be exposed to international competition to greater or lesser degrees. Moreover, the GDP (or value added) indicator no longer reflects the prosperity of a region for two reasons. In this regard the Committee welcomes the Commission's recent publication of the *Green Paper on territorial cohesion — Turning territorial diversity into strength* <sup>(5)</sup>, which will be addressed in a separate opinion.

2.4.1 Firstly, not all distributed income from work and capital or tax paid by market productive forces benefits the region of origin — some resources are 'exported'.

2.4.2 Secondly and more importantly, regions also receive funds from resources other than productive forces (public employees' salaries, pensions, unearned income, spending by tourists, income of people working elsewhere, social benefits other than pensions, etc.).

2.5 There is an ever-wider and more detailed range of management instruments which government bodies and businesses can use to support sustainable development programmes and policies, principally:

### 2.5.1 Rules/standards

- directives and regulations on environmental issues;
- environmental management systems;
- ISO 14000 certification and ISO 26000 guidelines;
- BS OHSAS 18001/2007 — safety in the workplace standards;
- the EMAS Regulation;
- social audits (SA8000);
- green purchasing and green public procurement;
- product life-cycle analysis;
- Integrated Product Policy;

<sup>(5)</sup> COM(2008) 616 final.

## 2.5.2 Structures

- clusters, industrial districts, centres of excellence/competitiveness, technology parks;
- Local Agenda 21 action plans;
- local/regional observatories on the territorial impact of development;
- local business clubs;
- European Social Fund support for regional governance;
- European Groupings of Territorial Cooperation — EGTC — new instruments provided for under Regulation (EC) No 1082/2006 of 5 July 2006 <sup>(6)</sup>;
- analysis and foresight platforms;
- public-private partnerships (PPPs)

## 2.5.3 Agreements:

- 'flexicurity' initiatives <sup>(7)</sup>;
- corporate social responsibility — CSR;
- structured regional social dialogue;
- environmental accounting/balance sheets;
- sustainability reporting;
- spatial planning instruments;
- regional environmental balance sheets;
- local and regional socio-economic agreements (territorial pacts, programme agreements etc.);
- special economic zones, within the constraints of competition policy <sup>(8)</sup>.

2.6 The Committee feels that it is essential to further consolidate, supplement and coordinate implementation of these legislative, regulatory and voluntary instruments in order to coordinate the different objectives and the various levels of participation to achieve efficient, effective results to which all have contributed.

<sup>(6)</sup> The list of Member States that have adapted their legislation to enable the implementation of EGTC is available at the Committee of the Regions' website (under 'Activities/Events').

<sup>(7)</sup> To identify and bring about new sources of employment, with the support of the social partners.

<sup>(8)</sup> Cf. Regulation (EC) No. 450/2008 of 23 April 2008 (OJ L 145 of 4.6.2008).

2.7 In view of the 2007 Leipzig Charter <sup>(9)</sup> and EU Territorial Agenda, on which the Committee has commented <sup>(10)</sup>, there has been more and more focus on territorial cohesion, with a view to:

- greater local involvement;
- reconciling balanced, sustainable development with the need to boost Europe's competitiveness with investments in areas with the highest growth potential;
- achieving synergy and compatibility between Community policies;
- developing better governance mechanisms <sup>(11)</sup>.

2.8 The Territorial Agenda is a strategic framework giving direction to regional development policies in line with the Lisbon and Gothenburg Strategies.

2.9 In its Opinion on territorial governance of industrial change <sup>(12)</sup>, the Committee pointed out that 'regional/local identity as a quality is based on a combination of belonging, recognition and empathy regarding a set of shared values and a shared vision of the future'. The Committee also called for an integrated territorial approach (ITA) and a governance strategy for development of a socially responsible region. It thought that this strategy should entail in particular:

- constant improvements in the quality, knowledge-base, skills and innovative capacity of the local and regional production system;
- the development of regional networks for the public and private sectors;
- high levels of environmental and social sustainability;
- efficient and consolidated processes for the formation and dissemination of knowledge, information and on-going training;
- the preparation of 'local and regional social balance sheets';
- comparative analyses of sustainable local and regional systems by social operators themselves.

<sup>(9)</sup> Leipzig Charter on Sustainable European Cities of 25 May 2007.

<sup>(10)</sup> Opinion on the *Territorial Agenda*, OJ C 168, 20.7.2007, p. 16-21.

<sup>(11)</sup> Cf. Opinion on *The territorial governance of industrial change: the role of the social partners and the contribution of the Competitiveness and Innovation Programme*, OJ C 318, 23.12.2006, p. 12-19.

<sup>(12)</sup> Cf. previous footnote.

2.10 In addition to **close coordination** in order to secure synergies and prevent overlaps or inconsistencies, these initiatives require on the part of local, regional, national and European authorities:

- **advanced education and training structures** designed to provide a functional response to the demands of economic and industrial development, based on knowledge and competitiveness;
- institutional and association-based **capacity building** and social dialogue **initiatives**;
- **an integrated regional policy** able to make the most of local development potential, enhancing capacity for innovative change and anticipation;
- consolidated **social dialogue** at regional/local level <sup>(13)</sup>, as a key to **maximising the benefits of anticipating industrial and market change and education and training flows**;
- **promotion of corporate social responsibility**, with voluntary adoption of CSR by businesses as their contribution to sustainable development;
- **enhancement of the integrated multi-level governance system** of 'socially responsible regions' <sup>(14)</sup>, defined as regions which succeed in combining adequate levels of well-being with the obligations inherent in social responsibility.

2.10.1 This process should also boost the skills and competences of political and administrative decision-makers, with a view to ensuring the stable conditions required to attract long-term investment to their regions and to spawn micro and small businesses in a context of lasting development.

2.11 The Committee attaches great importance to the process followed by a region before it can call itself a '**socially responsible region**' (SRR) <sup>(15)</sup>.

2.11.1 A region achieves this status when it succeeds through participatory democracy in integrating social and environmental concerns into economic decisions, models and principles for boosting competitiveness, good practices and ongoing dialogue between stakeholders, in order to encourage innovation and competitiveness.

<sup>(13)</sup> Cf. Opinion on *Restructuring and employment — Anticipating and accompanying restructuring in order to develop employment: the role of the European Union*, COM(2005) 120 final, OJ C 65, 17.3.2006, p. 58-62.

<sup>(14)</sup> Cf. Opinion on a *Thematic Strategy on the Urban Environment*, COM(2005) 718 final — SEC(2006) 16, OJ C 318 of 23.12.2006, p. 86-92.

<sup>(15)</sup> Cf. renewed Council strategy (document 10117/06 of 9.6.2006, points 29 and 30). Cf. also point 1.2 of this opinion.

### 3. 'Grassroots democracy' towards competitive and sustainable development

3.1 To improve the quality of life and **competitive, sustainable socio-economic development of EU regions** the Committee believes that grassroots democracy needs to be developed that can involve the regions' political, economic and social operators. The various public and private players should work together to address the strengths and weaknesses of these regions, and their growth prospects for businesses and jobs.

3.2 The forms and procedures of **grassroots democracy** as a fundamental pillar of European governance vary greatly according to the different national contexts, but the basic elements should be:

- **coordination of operators, social groups and institutions** to achieve objectives discussed and coordinated in a framework of structured dialogue and joint and several responsibilities among the social partners and, in particular, with workers' representatives and business clubs;
- **application of the** subsidiarity, territorial cohesion and participatory democracy **principles**, as laid down in the Lisbon Treaty;
- **well-coordinated multi-level governance structure**, ensuring grassroots decision-making in line with those tiers of political, economic, social and environmental responsibilities that are most representative of regional competences and identity, with due regard for consistency with national and European frameworks, with an open, cooperative, coordinated approach, aiming to achieve synergy between the different levels;
- **development of a regional learning community** based on a capacity for self-assessment and ongoing adjustment of local development strategies and objectives and on strengthening a widespread, all-embracing culture of innovation;
- **development of a joint, shared, forward-looking view** of the relationship between the economy and the local community
  - to identify the region's 'specific resources',
  - to assess the challenges and threats of competition from other regions,
  - to explore opportunities to enter national and international markets,
  - to look for ways and means of using local professional skilled resources to resolve specific local issues,

- to take forward-looking decisions promoting competitive-economy initiatives;
- **promotion of the creation and enhancement of regional economic and social councils** or similar instruments <sup>(16)</sup> — already operating in some Member States — as institutional partners in regional decision-making and action, with the right to initiate and monitor initiatives;
- **introduction of advanced participatory regional management instruments** such as e-government, SWOT analyses <sup>(17)</sup>, participatory foresight exercises <sup>(18)</sup>, EMAS <sup>(19)</sup> schemes applying to the public and private sectors across the board, corporate social responsibility standards, benchmarking techniques, open coordination scoreboards, district and inter-district networks <sup>(20)</sup> and web-based distributed learning systems;
- **active role by chambers of commerce, industry, crafts and agriculture, as well as by** professional associations and consumer organisations;
- **cultural fostering of excellence in terms of university studies and optimising of relations between industry and academia.**

3.3 Regional development requires full implementation of grassroots democracy but also structured local governance to manage development <sup>(21)</sup>.

3.4 Good regional governance must aim in the first place to encourage and develop all forms of cooperation and all partnership processes on a win-win basis between businesses themselves and between businesses and collective interests.

3.5 **Regional democratic governance** is a decentralised, inclusive decision-making process which the Committee feels should be based on principles of transparency and responsibility and on a participatory approach entailing analysis, definition, implementation and management of a shared strategic vision of medium-to-long-term development.

<sup>(16)</sup> Cf. for example the regional social dialogue commissions in Poland.

<sup>(17)</sup> SWOT = *Strengths, Weaknesses, Opportunities and Threats analysis*

<sup>(18)</sup> 'Foresight is a systematic, participatory, future-intelligence-gathering and medium-to-long-term vision-building process.' Cf. Foren: *Foresight for regional development*.

<sup>(19)</sup> EMAS = Eco-Management and Audit Scheme

<sup>(20)</sup> Cf. EESC Opinion on *European industrial districts and the new knowledge networks*, OJ C 255 of 14.10.2005, p. 1-13.

<sup>(21)</sup> Cf. OECD *Territorial Outlook* — 2001 edition.

3.6 In a multi-level partnership system, the Committee feels that an optimum combination of bottom-up and top-down processes is essential: indeed the trade-off between the two processes is a pre-requisite for success.

3.7 The Committee feels that major investment is needed in **developing an innovative, participatory culture**, as the call for democratic values must come from the regional community concerned as a whole and from a large number of operators and institutions representing the interests of the various sectors.

3.8 The Committee firmly believes that the development of the EU's regions must involve effective, sustainable development strategies based on the concept of 'socially responsible regions' to optimise their specific potential.

3.8.1 The Committee reiterates the comments it made in a recent opinion on this subject <sup>(22)</sup>.

#### 4. Community endeavour to develop 'socially responsible regions'

4.1 The Committee strongly advocates a **Community initiative on the development of 'socially responsible regions' (SRRs)** combining the objectives of grassroots democracy; strengthening of a widespread participatory, innovative culture; effective regional governance which is consistent with the national and Community Lisbon agenda frameworks; and a multi-partner, multi-sector partnership which can enhance the appeal and competitiveness of the region on the international market, anticipating industrial change and enhancing local social capital.

4.1.1 A primary role of the SRR initiative is to ensure that action taken at European, national, regional and local levels is coordinated and consistent.

4.2 The Committee believes that the SRR initiative should be accompanied by a genuine **European action plan** aimed at:

- promoting the introduction of the territorial dimension of EU policies;
- fostering the incorporation of the priorities set out in the Territorial Agenda and Leipzig Charter;

<sup>(22)</sup> Opinion on *The territorial governance of industrial change(...)* (cf. footnote 11).

- encouraging and co-funding territorial participatory foresight exercises;
- gradually introducing the open method of coordination and support for implementation of grassroots democracy instruments;
- uniform monitoring and coordinated uniform implementation of the various EU instruments for territorial cooperation, particularly the EGTC <sup>(23)</sup>;
- setting up a territorial development inter-service coordination unit within the Commission, tasked with framing and implementing an SRR information and communication strategy;
- developing the use of regional impact assessment instruments before and after the adoption of measures applicable in the regions, particularly concerning SMEs;
- co-funding measures aimed at the training and capacity building of the regions' public and private operators in developing SRR initiatives;
- promoting structured social dialogue in the regions, an 'SRR 21 quality mark';
- promoting and supporting the setting-up and development of Euroregions <sup>(24)</sup>;
- supporting the development of districts (and metadistricts <sup>(25)</sup>) and networks of districts to promote small and medium-sized businesses on the European and global markets.

4.3 The Committee believes that **the European SRR initiative — and its accompanying action plan** — must combine and coordinate the voluntary and regulatory instruments indicated in point 2.7 within a coherent system, where the responsibility of businesses from all sectors — including the financial sector and the local public sector — is essential to achieve the objectives of local strategies for growth and jobs in the context of national and European strategies.

<sup>(23)</sup> EGTC: a cooperation instrument at Community level which enables cooperative groupings to implement territorial cooperation projects co-financed by the Community or carry out actions of territorial cooperation which are at the initiative of the Member States — Regulation (EC) No 1082/2006, OJ L 210 of 31.7.2006.

<sup>(24)</sup> EUROREGIONS: structures for cross-border cooperation between one or more regions in different European Union and/or neighbourhood countries to promote common interests across borders and to cooperate for the common good of border communities.

<sup>(25)</sup> Cf. EESC Opinion on *European industrial districts and the new knowledge networks*, OJ C 255 of 14.10.2005.

4.4 The Committee feels that **CSR** <sup>(26)</sup> must be a voluntary part of this open coordination framework, facilitated and encouraged — particularly as regards micro and small businesses, which are the backbone of local development — by the climate of participation and joint, shared vision.

4.4.1 The SRR initiative must develop widespread personal and ethical values of a **participatory culture promoting innovation** around a common identity, which must not become solely that of employers but must be present and active in all the public and private sectors of the region and reference regional and interregional networks and clusters/districts.

4.5 **Regional 'learning communities'** must be able to use interactive, interoperative telematic structures and infrastructure, starting with e-government and the IDABC platform <sup>(27)</sup>, which provides on-line pan-European administrative services to public administrations, businesses and individuals with the aim of improving the efficiency of the European public administrations and cooperation among them and with organised civil society.

4.6 The Committee firmly believes that Europe needs to become **a centre of excellence in the development of SRRs**, building on successes with EMAS and CSR while expanding the reference framework to the regional dimension.

4.6.1 To be effective, regional strategic development should not be concerned with political factors such as the electoral renewal of local authorities but should interact with all the region's political entities, in power or in opposition, and build a heritage of **ongoing joint responsibility** of voters and/or elected representatives.

4.7 Micro and small **businesses** should be able to benefit from assistance in the form of expertise to introduce simple language and procedures and improve access to credit and microcredit, so as to encourage business management which respects the environment, the region and its social capital.

4.7.1 Social-economy businesses also have a role to play in the development of socially responsible regions as they encourage social cohesion and sustainability, distribute profits among their members and apply participatory, democratic management.

<sup>(26)</sup> Cf. EESC Opinions on *Implementing the partnership for growth and jobs: making Europe a pole of excellence on corporate social responsibility* (COM(2006) 136 final), OJ C 325 of 30.12.2006, p. 53-60, and on the *Green Paper — Promoting a European framework for Corporate Social Responsibility* (COM(2001) 366 final), OJ C 125 of 27.5.2002, p. 44-55.

<sup>(27)</sup> IDABC = Interoperable Delivery of Pan-European e-Government Services to Public Administrations, Business and Citizens; cf. EESC Opinion published in OJ C 80 of 30.3.2004, p.83.

4.8 **Local schools, universities and research institutions** should be linked together in European regional and interregional networks of excellence — as provided for in the Capacities programme of the Seventh framework programme for research, technological development and demonstration activities and the Education and Training 2010 programme — so as to provide local establishments with talents and qualifications which are often lacking in small businesses but necessary for the regional development strategy to succeed.

4.9 The Committee feels that the Community SRR initiative should also promote local **structured social dialogue**, together with twinning between local institutions, to encourage stronger capacity-building partnerships between regional authorities with different performance levels. The launch of an SRR 21 charter could also increase SRR consistency and effectiveness.

4.10 Lastly, the Committee calls for an assessment, benchmarking and monitoring action to be included in the Community SRR initiative, for a database of regional per-capita income to be set up and a for report to be drawn up every two years and submitted to the European Parliament, the Council and the Committee.

## 5. The contribution of national public authorities

5.1 Member States should apply the provisions uniformly, so as to preserve the unity of the EU internal market, and should use support mechanisms and disincentives. *Inter alia*, national public authorities should:

- work on cutting red tape and streamlining structures and processes, to free up resources for sustainable, competitive development and jobs;
- agree on a general strategic reference framework — in a participatory and consensual manner and with a direct input from the social partners and representatives of organised civil society — for developing national policy on socially responsible regions;
- strengthen frameworks for coordinating and decentralising the public sector, so as to demarcate governance roles and responsibilities at central, regional and local levels;
- draw up fiscal decentralisation policy guidelines incorporating the means of transfer between the various levels of governance, as previously suggested by the Committee <sup>(28)</sup>;
- enhance and increase the endeavours of bodies to manage and coordinate the process of decentralisation and governance at local level;

<sup>(28)</sup> Opinion on the *Impact of the territoriality of tax law on industrial change*, OJ C 120 of 16.5.2008, p. 51-57.

- establish budget headings for developing dedicated human resources and for co-funding training programmes, the creation of networks and interoperable telecommunications facilities at national and European levels;
- ensure the consistent application at national level of the Interreg IV instruments and of the Regulation on EGTC — cross-border bodies that allow for the participation of Member States, alongside local and regional authorities and territorial cooperation entities with their own legal personality under Community law;
- develop a new urban-rural partnership favouring an integrated regional approach and promoting parity of access to infrastructure and knowledge;
- foster competitive and innovative cross-border regional clusters; and strengthen trans-European technological networks, trans-European risk management, polycentric urban development, and the development of environmental and cultural resources;
- ensure consistency and coordination in the regional dimension of sectoral policies, avoiding conflicting sectoral measures that could generate inefficiencies and prove totally ineffective and counter-productive on the ground; develop instruments for Territorial Impact Assessment — (TIA) with due reference to Environmental Impact Assessment (EIA) <sup>(29)</sup> and Strategic Environmental Assessment (SEA) <sup>(30)</sup>.

5.2 Regional and local public authorities should:

- involve economic and social interest groups upstream of the drafting of strategic regional development projects;
- develop education systems, universities and schools of excellence, which are essential for the economic and social development of SRRs;
- increasingly introduce cost-effectiveness, quality and sustainable-development criteria into public investment choices and SGI management;
- carry out periodic assessments of public investment plans;
- ensure before the launch of public investment projects that the amounts and timeframes specified in finance plans are guaranteed;

<sup>(29)</sup> Directive 85/337/EEC, as amended by Council Directive 97/11/EC of 03.03.1997 and by Directive 2003/35/EC of 26.5.2003.

<sup>(30)</sup> SEA Directive 2001/42/EC. The purpose of the SEA Directive is to ensure that environmental consequences of certain plans and programmes are identified and assessed — in particular in terms of their territorial dimension — during their preparation and before their adoption.

- ensure that external funding for public investment projects is actually used within the specified deadlines;
  - ensure an active base of SMEs throughout regions; SMEs provide coordination between urban, peri-urban and rural areas, preserving jobs, income, communities and tax resources in the latter;
  - encourage reinvestment of capital and profits locally for the purposes of setting up grants for projects and purchasing of local businesses and regional financial instruments for development and venture capital, without prejudice to the single market;
  - not remove corporation tax revenue too far from its geographical origin (by transferring it to supra-regional levels), without detriment to the redistribution requirements of the fiscal solidarity system;
  - train local elected politicians in current spatial planning mechanisms, focused on services of general interest and economy-supporting infrastructure, with a view to modern management of sustainable business development.
- 5.3 Regional and local authorities should implement priority actions on the exchange of best practices and interregional networks, together with appropriate foresight mechanisms for defining a joint, shared vision.

## 6. The contribution of businesses: businesses should act responsibly towards their regions

6.1 The Committee believes that, without creating any more red tape, businesses need to help reinvigorate local networks, of which they are a driving force and an integral part:

- report on their social, environmental and regional (or societal) best practices and introduce instruments which can identify levels of corporate social responsibility;

- encourage placing of skilled human resources within and around the business, by creating jobs and training current and prospective employees;
- keep employees properly informed of the business's strategy and its projects, particularly relating to jobs and training;
- cooperate with local economic operators to create sustainable growth potential in the area generated by healthy, trust-based commercial relations between businesses;
- where possible ensure technology transfer to local businesses, particularly SMEs, so that the region is revitalised by progress in technology and highly skilled staff;
- engage proactively in science and technology development activities in the region to embed in it knowledge and know-how, liaising with research institutes and universities, other businesses and local professional bodies;
- encourage suppliers and their subcontractors to adopt the same principles of cooperation with local authorities and observe the same social, environmental and regional management rules in their companies;
- establish links between businesses, particularly the largest, with stakeholders (local and public authorities) to discuss and make progress on the technological, commercial and social issues and challenges facing businesses locally.

## 7. Achievements on the ground: success stories

7.1 Various European initiatives and policies have been launched to address the challenge of socially responsible regional development in the EU and to give increased, positive visibility to the territorial dimension of EU policies. Examples of these initiatives can be found on the CCMI web page ([http://www.eesc.europa.eu/sections/ccmi/index\\_en.asp](http://www.eesc.europa.eu/sections/ccmi/index_en.asp)), which also contains information on a hearing held in Lille on 25 September 2008 as part of the preparatory work for this Opinion (see the relevant heading).

Brussels, 3 December 2008.

*The President of the European Economic and Social  
Committee*  
Mario SEPI

*The Secretary-General of the European Economic and Social  
Committee*  
Martin WESTLAKE



## APPENDIX I

**to the opinion on 'Industrial change, territorial development and responsibility of companies'**

(CCMI/055)

**Report on the hearing held in Lille on 25 September 2008, at the headquarters of the Nord-Pas de Calais Regional Council**

Under the French presidency of the European Union, the European Economic and Social Committee's Consultative Commission on Industrial Change (CCMI) and the Nord-Pas de Calais (NPdC) Regional Council organised a hearing on Industrial change, territorial development and responsibility of companies (subject of the opinion for which this is the appendix), which took place in the regional council's hemicycle. The hearing was attended by over 90 key guests from 12 European countries and high-level local and regional bodies, both public and private, together with representatives from three of the European Commission's directorates-general.

With the participation of the regional council president, Daniel Percheron, the CCMI president, Joost van Iersel, the study group president, Martin Siecker, the rapporteur, Antonello Pezzini, and the co-rapporteur, Bernard Gay, promoter of this important initiative, a wide-ranging and animated debate was held on regional and local development, governance, the revitalisation of production, the need for shared views of future trends, sectoral and inter-sectoral prospects for the growth of competitive employment, and mechanisms for active democracy through the development of a participatory culture in an area successfully combining an adequate level of wellbeing with the duties which are an integral part of social responsibility.

In our globalised economy, territorial development and industrial change are closely connected and interdependent. The opinion aims to take a territorial approach to assessing the prospects for socio-economic change, focusing primarily on the development strategies designed by local and regional bodies and on the centres of competence set up by private and public stakeholders. The analysis thus focuses on the regions' capacity to cope with and adapt to irreversible changes through collective responsibility-sharing systems, taking into account the concept of corporate societal responsibility.

NPdC is considered a region with a rich fund of experience in these fields and the CCMI therefore asked it to cooperate in organising a hearing in Lille. The two organisations pooled their resources with a view to taking stock of the experiences of regional development stakeholders and noting their proposals for harmonious regional development.

Listening to the problems, solutions and experiences outlined by the most qualified representatives of the 'real world' in the NPdC region (businessmen, presidents of business clubs and hubs of competitiveness, trade unions and representatives of the social economy, universities, the professions and public administration at various levels) and the wide-ranging exchange of ideas which ensued led to the identification of innovative strategies and key priorities which, alongside the generous hospitality of the NPdC regional council and the friendly relations established during the hearing, forged strong contacts with a profound impact on the CCMI's work.

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## APPENDIX II

## to the opinion on 'Industrial change, territorial development and responsibility of companies'

(CCMI/055)

Various European initiatives and policies have been launched to address the challenge of socially responsible regional development in the EU and to give increased, positive visibility to the territorial dimension of EU policies:

- **Lille-Kortrijk-Tournai — Eurometropolis (France-Belgium):** Eurometropolis is the first significant example of a European Grouping of Territorial Cooperation (EGTC). It was launched on 28 January 2008 and comprises 14 partners — four in France (central government, Nord-Pas de Calais region, Département du Nord and the Urban Community of Lille Métropole) and 10 in Belgium (the federal government, region of Flanders, the French-speaking Community, provinces and joint municipal authorities). Equally important was the establishment in the 1990s of the **Transmanche Euroregion**, comprising the English county of Kent, the French Nord-Pas de Calais region and Belgium, in a network useful for identifying cooperation projects, thus maximising the capacity to take action in the EU's 2007-2013 programming period.
  - **Bilbao Metropoli 30:** The process of revitalising the Bilbao metropolitan area was launched in the early 1990s with a public-private partnership involving over 80 public and private bodies, over 30 associated bodies and 17 international networks. It was based on a joint strategic plan and a shared vision of the territorial, economic, social, environmental and cultural development needed to transform the metropolitan area — and by extension the entire Basque Country — into one of the most advanced and competitive areas in Europe.
  - **ALSO — Marche region:** The ALSO project (Achievement of Lisbon and Gothenburg Strategy Objectives) has been developed by Italy's Marche region, together with numerous partners, including local and regional authorities, development agencies and universities from various EU countries, in the context of the INTERACT programme. Its ultimate aim is to orient territorial cooperation towards achieving the objectives of the Lisbon and Gothenburg Strategies.
  - **Metropolis Hamburg — interregional cooperation:** Partnership between the city of Hamburg and the regions of Lower Saxony and Schleswig-Holstein, based on voluntary cooperation between three federal states on both sides of the river Elbe.
  - **Alps-Mediterranean Euroregion (France — Italy):** This Euroregion comprises three Italian regions (Liguria, Piedmont and Valle d'Aosta) and two French regions (Provence-Alpes-Côte d'Azur and Rhône-Alpes). It is aimed at close cooperation on increasing exchanges in common areas of competence, so as to strengthen ties between the respective communities in the political, economic, social and cultural spheres.
  - **Ister-Granum:** This Euroregion is the first EGTC in central Europe. Recently formed, though based on previous cooperation schemes, the Ister-Granum Euroregion incorporates 47 local authority areas in Hungary and 39 in Slovakia. This new EGTC has about 20 joint projects in the pipeline, specifically in the fields of health systems and medical care, IT and media, tourism, and integrated transport infrastructure, particularly regarding the Danube. It is based in Esztergom, Hungary and provides for the participation of local and regional authorities solely and not of central government.
  - **Baltic Euroregion:** This partnership between the regions grouped around the Baltic Sea has existed since 1998. For the 2007-2013 programming period, the European Commission has approved EUR 75 million in financing for this Euroregion which henceforth includes parts of Poland, Sweden, Germany, Denmark and Lithuania. The Euroregion's objective is to boost sustainable development and the economic competitiveness of its constituent regions.
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