



**GREEN PAPER ON TERRITORIAL COHESION: TURNING TERRITORIAL
DIVERSITY INTO STRENGTH (COM(2008)616 final)**

ETUC position

1. INTRODUCTION

Territorial cohesion has always underpinned European Community policies on the basis of the principle of ensuring the harmonious development of the economies of the different regions by shrinking the gap between them and the backwardness of the least favoured territories.

The work carried out by the Member States within the context of the 'Territorial Agenda', as well as the considerations of the Leipzig Charter on Urban Development and the Council Conclusions, highlight the challenge of taking the Union's territorial diversity into account for cohesion policy.

Definition of territorial cohesion

The Commission states in the Green Paper that territorial cohesion is about ensuring the harmonious development of all EU territories and making sure that their citizens are able to make the most of the inherent features of these territories. As such, it must be a means of transforming diversity into an asset that contributes to sustainable development of the entire Union. The description proposed in the Green Paper remains too general, but should be included as part of the definition that needs to be completed.

The ETUC is in favour of territorial cohesion having the objective of ensuring equal opportunities and quality living conditions for the Union's citizens in all EU territories.

The objective of territorial cohesion should be complementary to and strengthen the existing objectives of economic and social cohesion, with all three being based on the principle of solidarity. In terms of practical implementation in the context of the shaping of European policies, there is a need for equalisation mechanisms between the regions and the Member States.

The concept itself therefore still has to be described in terms of European policies (once the Treaty of Lisbon has been ratified). The contribution of the lessons drawn from implementation of the Territorial Agenda and the Leipzig Charter can be useful in that respect, in particular because this is about the differentiation of policies according to territorial context, the thematic integration of the different sectoral policies and the importance of involving players who are active in the regions.

2. THE PARTNERSHIP PRINCIPLE

The ETUC would like to point out once again that partnership is fundamental to guarantee the functioning of Structural Fund interventions. Quality partnerships must continue to be developed, capable of influencing the final decisions of the EU and of assuming a role of social control during the implementation of policies. In this sense, social partners have to be involved in every stage of fund interventions: definition, implementation, control and validation of cohesion policy. Participation must be real and non-bureaucratic, with effective control and an impact on decisions, at the levels of both implementation and validation of results. We also reiterate our request for a clear definition of the concept of partnership, without leaving this to national practices, as well as a clear definition of the respective roles of the different partners.

3. TERRITORIAL COHESION: THE THREE AREAS OF ACTION PROPOSED BY THE COMMISSION

The ETUC considers it essential for the grant of funds to respond to a number of objectives, namely: to contribute to the modernisation and diversification of economic activities and the creation of more jobs and better jobs; to allow access to public services, and in particular health, education and family support services; to develop effective and top-of-the-range public transport networks; and to overcome the disadvantageous conditions of more isolated territories (islands, mountains). It is also fundamental to ensure the coherence of public policies with regard to the system at the different levels (national, regional and local). This is particularly important with regard to decentralisation of the tasks to be financed by the regions and/or territories. It is of the utmost importance that this decentralisation be accompanied by adequate and supplementary funding.

Connection - the role of services of general interest

The treaty¹ emphasizes the role of services of general interest (SGI) in promoting social and territorial cohesion, as an expression of the values shared by all Europeans. The ETUC considers that the debate on the objective of territorial cohesion should result in a better definition of the role SGIs can and must play. A reflection process on universal access to services should therefore be part of this debate.

The European Commission itself recognises in its Green Paper the importance of access to services of general interest by placing them at the heart of one of the three proposed areas of action, stating that their role consists of 'connecting territories and overcoming distance'. We share the view that priority should be given to connection to encourage effective access for all citizens, irrespective of their place of residence, to markets and services. Everyone agrees on the unfortunate observation that SGIs are not yet available equally in the EU and that access, especially to healthcare and education, is often problematical in certain areas, particularly rural regions.

¹ Article 16

It is also advisable to analyse the possibility of expanding the concept of general interest, given changing needs and the opportunities offered by new technologies. Access therefore requires network industries (transport, energy, etc.) and infrastructures that guarantee access to healthcare and education. The aim is also to offer access to new services, for example high-speed internet, and to redefine others (sustainable energy).

The role of SGIs is wider, however, and goes beyond the concept of connection. These services ensure the practical implementation of fundamental rights, as defined in the European Charter, and must enable every citizen of the Union to live a life of dignity. They are also essential for meeting the specific needs of less-favoured categories. Territorial cohesion should therefore aim to offer citizens equal opportunities in access to infrastructures and services of general interest, enabling each European Union territory to offer its inhabitants quality living conditions.

The ETUC has highlighted on several occasions the risks of the consequences of internal market policies, such as the negative effects of the concentration of economic activity and increasing inequalities. The Green Paper itself mentions problems of urban decay and social exclusion. Maintenance or re-establishment of universal access to SGIs, particularly in regions with relatively low population density, within the framework of public service obligations, *in the name of equality of treatment and as a condition for the integration of all regions in the global economy*, should constitute a priority of territorial cohesion. In this way, territorial cohesion could contribute to removing the obstacles that prevent harmonious development of the Union as a result of distance or the tendency of concentration of activity.

4. NEW INDICATORS

The ETUC consequently recommends the development of new indicators based on the need for implementation of territorial cohesion. The idea is to adopt appropriate instruments that allow territorial disparities to be taken into account in public policies.

New indicators should be defined to determine the eligibility of regions for EU assistance. Use of the sole criterion of per capita GDP creates 'discrimination' and is no longer suitable in the EU of 27 Member States, because the last two enlargements have resulted in more pronounced regional disparities. In this respect, we consider that factors such as the unemployment rate, the evolution of employment, the poverty rate, the spatial distribution of quality public services and the population's access to such services, in particular healthcare, education and family support services (facilities for the elderly and childcare centres), the degree of remoteness of the territories, territorial coverage by public transport networks, skills levels, and the evolution of the resident population over the last 10 to 20 years by age group, must be taken into consideration.

5. COORDINATION WITH OTHER EUROPEAN UNION POLICIES

The objective of territorial cohesion must be applied to all European Union policies and to sectorial policies in particular. It is essential to ensure coordination with other European policies not specifically aimed at achieving territorial cohesion or economic and social cohesion, and with policies to promote sustainable development. These policies must be endorsed in the light of their impacts on territorial cohesion and on economic and social cohesion and must be revised if the impacts are negative. There is a need to improve synergies between the Territorial Cohesion Policy interventions and the rural development ones.

In Portugal, for example, the Common Fisheries Policy has negative consequences due to the existence of measures encouraging the scrapping of fishing vessels. These measures are having the effect of causing thousands of workers to abandon this activity, which affects the local economies and increases the country's external food dependence.

6. EMPLOYMENT POLICY - THE EUROPEAN SOCIAL FUND

The ETUC maintains that employment policy must be at the heart of territorial cohesion and that social cohesion must be strengthened in parallel.

There is no escaping the fact that, further to the revisions of the Lisbon Strategy in the framework of the integrated guidelines, the employment pillar is forced into the background compared to competitiveness objectives.

In today's context of economic crisis, of restructuring and industrial changes at territorial level, the European Employment Strategy must be put back at the centre of the Union's priorities in order to fight the increase of unemployment rates and more funds must be released to create more jobs, but also better jobs. 'Quality in work', one of the three mandatory objectives of the EES, must be placed at the heart of the Strategy, in particular by reintroducing the objective of reducing the number of low-wage workers, the working poor and persons working in other forms of precarious work.

We reiterate that the European Social Fund is the preferred Community instrument for implementation of the European Employment Strategy and must remain so.

7. FINANCIAL RESOURCES

The ETUC reiterates that, given the level of our ambitions, investments in cohesion policy need to be increased, particularly considering that they represent only 0.04% of the GDP of EU Member States.

The Commission's proposal on the contribution of cohesion policy to the European recovery plan is a positive sign. The Structural Funds, which make up more than one third of the European Union budget, can indeed constitute a source of financing in the

real economy to meet the challenges ahead for the short, medium and longer term. We nevertheless consider that, for the European Social Fund, investments must not focus solely on the development of human resources and the reintegration into the labour market of redundant workers, but that priority should also be given to job creation and sustainable growth by building on the Lisbon priorities, in particular the European Employment Strategy.

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