



*(Version of 2. November 2016)*

***IMPORTANCE OF COHESION POLICY FOR THE FUTURE OF THE EU  
AND THE CROSS-BORDER COOPERATION***

***STATEMENT***

***2. NOVEMBER 2016***

***I. European cohesion policy – Corner stone for a Community of political values.***

The EU as **Community of political values** should **not only focus on economic development**, but also aims to **bring the Union closer to the people**, to involve the citizen in democratic actions, to improve the **distribution of tasks** between the European, national and regional/local level and to transfer to the European Union important tasks (foreign policy and defence).

As **corner stone of this community of political values**, **regional and cohesion policy** are not only instruments for economic development and abolition of differences, but also an **offer** to pursue European affairs in a targeted way throughout the whole EU and for the entire population with due regard for the principles of subsidiarity and partnership.

**Cohesion policy**, together with the single market and monetary union, is one of the **pillars of European policy**. A currency union is hardly realisable without European Cohesion and finance policy.

As “**horizontal EU policy**” cohesion policy explicitly addresses economic, social territorial cohesion and should therefore serve as **framework for sectoral policies** enabling the **better reconciliation** which is often claimed. Via the budget of the European Union financial resources are transferred between Member States for the purpose of supporting investment in human and physical capital and thereby contributing towards economic growth and sustainable development and also to reduce differences step by step. Consequently, it is not a passive policy (e.g. one that redistributes income), but rather a dynamic policy that seeks to create resources and exhaust unused potential.

An efficient cohesion policy should therefore involve all **regions** and **citizens of the Union** in the efforts being made to achieve growth by strengthening **regional competitiveness** and giving **everyone** a chance to fulfil **their capabilities** with the target to increase the potential of growth for the EU's economy and a balanced spread of economic activity within the Union.

In the current discussion about the future budgetary volume and future priorities of the EU which need to be financed, one runs the **risk of defining Europe only by its growth and employment**. There is no doubt about economic **growth** being an **essential contribution to more employment** and making sure that there is something to distribute of the European budget within the meaning of European priorities.

Growth by itself, however, cannot automatically guarantee the **consideration of other important European priorities** which appeared in many discussion as between the EU

Commission, the EU Parliament, the Comity of the Regions and the European regional organisations.

- ☐ A **balanced, harmonious and sustainable development** of the European territory, especially at regional level, also with the help of EU policies and financial means.
- ☐ A **polycentric development** of the EU territory with balanced development opportunities between agglomerations / metropolitan areas and rural areas, the political and economic costs of a “bleeding” of rural areas are enormously high and cannot be compensated by an accelerated growth in metropolitan areas.
- ☐ A certain extent of **agricultural policy** which will also **in the future still be necessary**
- ☐ **Cross-border cooperation** in the framework of territorial cooperation as **corner-pillar and as cement of the European House**.

The **disparities** remaining in EU (income, employment, labour productivity) are **not only** recognisable **between states but also on a regional level**. Regions characterised by **structural weaknesses** and **limited competitiveness** are to be found **not only in the cohesion areas**, but also in a series of other regions that are struggling to attain lasting economic growth (lack of infrastructure, of labour skills and social capital, missed structural change). The extent of **convergence varies** markedly from region to region, often largely reflecting their relative importance in their Member State.

Important **challenges** (rapid economic and social change, restructuring, globalisation, the shift towards a knowledge-based economy and society, the ageing population, growing immigration, labour shortages in key sectors, and so on) concern **all EU Member States and regions**, not only the least developed regions. Community financial support can act as a catalyst, helping to **mobilise national and regional policies and resources**.

## **II. Cohesion and regional policy as European strategy**

The Cohesion policy has also turned out to be a very suitable **longterm policy to realise the EU objectives**. **Problems** having appeared up to now are especially found in the **realisation**. That means – **not the policy, but the instruments have to be modified**.

The challenge for the years after 2020 consists in **developing** for a considerably enlarged EU, effective and flexible **policies** which meet the **regional peculiarities** and **manifold interests** in the entire European Union despite technical and financial priorities.

An in itself coherent and long-term **policy from 2020** onwards must include **all** essential areas of **EU policies** and guarantee a **better coordination** between them than in the past: territorial planning, cohesion, regional, agricultural and social policies, etc. In view of the **consequences of the European integration and globalisation**, this policy must promote in a strengthened way a polycentric development of the community territory

**The EU cohesion policy** (Art. 158 EU Treaty), apart from the support of the poorest regions also serves the interest of the whole Community, not only the financial support of the poorest regions. Therefore a **cohesion policy for the entire EU and all regions** is necessary and not only a shifting or concentration of financial means.

Therefore, cohesion policy should remain visible throughout the EU and entail two approaches:

- **Promoting and anticipating regional change**

Regional programmes will help to address the problems faced by urban and rural areas relating to economic restructuring and other handicaps.

- **Responding territorial characteristics**

Particular geographical or natural needs/handicaps/singularities intensify development problems, especially in the outermost regions of the Union, border regions, many islands, mountain areas, in sparsely populated parts or where problems faced by cities are concerned.

The **concentration of funds** on some **selected priorities**, which are expected to **add the most value** should be maintained. However, it should **not be fixed so closely** that they exclude the funding of regional **specificities**.

**Achieving results**, should be evaluated especially **qualitatively**, not only quantitatively, (correct administration and correct financial management are only instruments);

A **concentration** of the cohesion and regional policy only on growth and employment represents considerable **dangers**:

- ▣ The **political consensus** on the necessity of a European cohesion policy is made uncertain, if one speaks only about convergence between states and not between regions.
- ▣ **To measure** economic development and growth only at national **level** and not also at regional level **does correspond to Europe's diversity**. It is an unproved assumption

to believe that growth at national level would induce sooner or later also automatically growth in marginalised regions.

- ▣ **Future-oriented approaches** to the future orientation of European regional and cohesion policy which had been elaborated with the EU Commission in numerous meetings are not mentioned.
- ▣ The **role of agriculture** for the environment, the generation of income and the care of the landscape and nature in rural areas is neglected without indicating necessary alternatives.
- ▣ The **danger of a re-nationalisation** of certain political areas grows in order to create the necessary compensation for marginalised regions.
- ▣ A socio-political **conflict potential arises as to the acceptance** of such an orientation of the EU.

### III. EU cohesion/regional policy and cross-border cooperation

The realisation of the European Single Market and using the territorial potentials is **harmed by** the fact that the European Union is separated **by many borders**. Different competencies, structures, social or fiscal laws clash at borders. **Growing together** at borders through cross-border cooperation is a **pre-condition** for a gradual European integration.

Border and cross-border regions are particularly often affected by **geographical diversity**. Borders run parallel to rivers, mountain ranges etc.

**Border regions still cannot fully develop their potential** due to the semicircles on either side of the borders. There is often a lack of using a “critical mass” for investments which only make sense when made in cross-border projects (hospitals, services, waste management facilities, economic cooperation etc.). The challenge is to create a new quality of borders: they have to be turned into meeting rooms.

As illustrated in the **Lisbon Treaty** and in the reports on Cohesion Policy, besides **border regions** also others like mountain regions, islands and sparsely populated regions are listed as areas with **specific problems**. Many of them are at the same time border regions. This means that **many border regions** are not only affected by one, but by **several negative characteristics** for disadvantaged areas:

- o mountains
- o coastal areas
- o islands
- o periphery (national, sometimes even European)

- o sparsely populated areas
- o rural areas

Only late at **old and new internal borders** and even later on at the EU's external borders the **conditions** (infrastructure, genuine cross-border structures, a legal instrument for decentralised cooperation) were **created** that enable the **full exploitation** on a cross-border basis of potential for **economic growth** and opportunities in areas including the environment, innovation, tourism, cooperation between social institutions.

Cross-border cooperation is **mostly effected by territorial cohesion**. If there is no cohesion along the European borders then it would be very difficult to realise European integration and territorial cohesion in total. Without cohesion and long-term cross-border strategies (taking national spatial planning and programmes into account) successful cross-border cooperation is not possible.

In **region-specific and cross-border programmes** regional diversity in Europe becomes visible. Following the principle of countervailing influence European and national framework programmes affect these region-specific cross-border programmes (top down) and on the other hand results and knowledge gained in programmes at regional level must influence the national and European general framework (bottom up) in order to achieve the best possible results.

**Clear objectives and results** should be formulated in the cross-border programmes while **starting point** should be **regional/local needs**, as they define **what** needs to be done and **who** should be involved;

The **regional/local level** turned out to be the most appropriate one to **implement** numerous EU programmes and projects with good results particularly in the European cohesion and regional policy as well as the Community Initiatives.

**Subsidiarity and partnership** remain indispensable elements of the New Governance. They do not only concern the relation between national state / EU, but especially also the relation between national states and their regional/local level.

The sentence "Geographical specificities are no handicaps but underused potentials" applies in particular to border regions who, in doing so, need support on European/national level.

**Cross-border co-operation always adds value** (European, political, institutional, economic, socio-cultural added value – see the annex) and contributes veritably to the European

integration and the European unification process. It goes far beyond exchange of experience and reconciliation etc. and results in practical co-operation with a proven record of success in: infrastructure, economy, innovations and research, labour market, tourism, culture and much more. Today it's not a part of national external policy but primarily of **European internal policy**, because cross-border co-operation doesn't constitute a national priority but a rather a **European priority and a political objective of the EU**. Also for this reason, it must remain an **independent** European political **objective** within the framework of the European cohesion and regional policy.

The decisions taken toward the end of the Luxembourg Presidency some months ago, as well as the report of the Chairperson of the Committee of Regional Development of the European Parliament, Ms. Mihaylova, confirm that European **territorial, and in particular cross-border cooperation, contribute essentially to European integration and create added-value** (and as AEBR we add: cross-border cooperation is **the cement of the European house!**).

**Cross-border co-operation and its results** (also with regard to economic growth and employment) **always arise in addition** to national measures in a border region. It contributes therefore significantly to the implementation of the current and future Europe strategies. Accordingly, cross-border co-operation remains a **key instrument of the European cohesion and regional policy** with the primarily aims - besides growth and employment - at improving the territorial cohesion.