ECONOMIC, SOCIAL AND TERRITORIAL COHESION

In order to promote its overall harmonious development, the European Union is strengthening its economic, social and territorial cohesion. In particular, the EU aims at reducing disparities between the levels of development of its various regions. Among the regions concerned, special attention is paid to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps, such as the northernmost regions with very low population density and island, cross-border and mountain regions.

LEGAL BASIS

Articles 174 to 178 of the Treaty on the Functioning of the European Union (TFEU).

CONTEXT

From the beginning, there have been large territorial and demographic disparities in the European Community (now the European Union), with the potential to constitute obstacles to integration and development in Europe. From the outset, the Treaty of Rome (1957) established solidarity mechanisms in the form of two Structural Funds: the European Social Fund (ESF) and the European Agricultural Guidance and Guarantee Fund (EAGGF, Guidance Section). In 1975, regional aspects were introduced with the creation of the European Regional Development Fund (ERDF). In 1994, the Cohesion Fund was also created. However, for a long time these initiatives had only modest resources.

With the Single European Act of 1986, economic and social cohesion became a competence of the European Community. In 2008, the Treaty of Lisbon introduced a third dimension of EU cohesion: territorial cohesion. These three aspects of cohesion are supported through cohesion policy and the Structural Funds.

OBJECTIVES

Strengthening its economic, social and territorial cohesion is one of the EU’s main objectives. It dedicates a significant proportion of its activities and budget to reducing the disparities among regions, with particular reference to rural areas, areas affected by industrial transition, and regions which suffer from severe and permanent natural or demographic handicaps.

The EU supports the achievement of these objectives through:

— the coordination of economic policies;
— the implementation of EU policies;
— the use of the Structural Funds (EAGGF, Guidance Section; ESF; ERDF), the European Investment Bank and the other existing financial instruments (e.g. the Cohesion Fund).
The Guidance Section is one of the components of the European Agricultural Guidance and Guarantee Fund. Within the framework of the Union’s cohesion policy, the EAGGF Guidance Section supports rural development and the improvement of agricultural infrastructure.

The European Social Fund is the Union’s main instrument supporting measures which aim to prevent and combat unemployment, develop human resources and foster social integration in the labour market. It finances initiatives that promote a high level of employment, equal opportunities for men and women, sustainable development and economic and social cohesion.

The European Regional Development Fund is intended to help redress the main regional imbalances in the EU. It supports regions whose development is lagging behind, along with the conversion of declining industrial regions.

The Cohesion Fund provides a financial contribution to projects relating to the environment and to trans-European networks in the area of transport infrastructure. This fund may only be accessed by those Member States whose gross national income per inhabitant is lower than 90% of the EU average.

To guarantee efficient use of the Structural Funds, the following principles have to be upheld:

— organisation of the funds by objectives and regions;
— partnership between the Commission, Member States and regional authorities in planning, implementing and monitoring their use;
— programming of assistance;
— additionality of EU and national contributions.

The allocation of the Union’s financial resources devoted to cohesion policy is focused on two main goals:

— investment for growth and jobs — aiming to strengthen the labour market and regional economies;
— European territorial cooperation — supporting EU cohesion through cooperation at cross-border, transnational and interregional level.

ACHIEVEMENTS

Since 1988, the Union’s cohesion policy has seen a massive increase in its budget and has become, next to the common agricultural policy, one of the most quantitatively significant Union policies. Over the financial programming period 2007-2013, a total of approximately EUR 355 billion (at 2011 prices) has been dedicated to the prevention of economic, social and territorial inequalities. These funds have been spent on such various activities as road-building, environmental protection, investment in innovative enterprises, job creation and vocational training. For the period 2014-2020 it is envisaged that EUR 325 billion (at 2011 prices) will be dedicated to economic, social and territorial cohesion.

ROLE OF THE EUROPEAN PARLIAMENT

Parliament plays a very active role in supporting the strengthening of the EU’s economic, social and territorial cohesion. The legislation relating to cohesion policy and the Structural Funds is prepared under the ordinary legislative procedure, in which Parliament has an equal say with the Council.
Parliament has been actively involved in the negotiations for the reform of cohesion policy post-2013. This reform defines the priorities and instruments of future EU action aimed at strengthening economic, social and territorial cohesion. Parliament has strongly supported the proposals for a wide-ranging and efficient cohesion policy, which also necessitate sufficient financial resources.

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11/2017