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## **REPORT**

on the Communication from the Commission on the impact of enlargement on regions bordering candidate countries – Community action for border regions (COM(2001) 437 – C5-0599/2001 – 2001/2250(COS))

Committee on Regional Policy, Transport and Tourism

Rapporteur: Renate Sommer



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## PROCEDURAL PAGE

By letter of 27 July 2001 the Commission forwarded to Parliament a Communication on the impact of enlargement on regions bordering candidate countries – Community action for border regions (COM(2001) 437 – 2001/2250(COS)).

At the sitting of 28 November 2001 the President of Parliament announced that she had referred the Communication to the Committee on Regional Policy, Transport and Tourism as the committee responsible and to the Committee on Employment and Social Affairs for its opinion (C5-0599/2001).

The Committee on Regional Policy, Transport and Tourism had appointed Renate Sommer rapporteur at its meeting of 20 November 2001.

The committee considered the Commission Communication and the draft report at its meetings of 20 February and 21 March 2002.

At the latter meeting it adopted the motion for a resolution by 39 votes to 0, with 1 abstention.

The following were present for the vote: Rijk van Dam, acting chairman; Helmuth Markov, vice-chairman; Renate Sommer, rapporteur; Pedro Aparicio Sánchez (for Danielle Darras), Emmanouil Bakopoulos, Carlos Bautista Ojeda (for Nelly Maes), Philip Charles Bradbourn, Den Dover (for Luigi Cocilovo), Alain Esclopé, Janelly Fourtou (for Reinhard Rack pursuant to Rule 153(2)), Mathieu J.H. Grosch, Konstantinos Hatzidakis, Juan de Dios Izquierdo Collado, Georg Jarzembowski, Elisabeth Jeggle (for Rolf Berend), Karsten Knolle (for Jacqueline Foster), Dieter-Lebrecht Koch, Giorgio Lisi, Sérgio Marques, Emmanouil Mastorakis, Erik Meijer, Camilo Nogueira Román, Paolo Pastorelli (for Francesco Musotto, pursuant to Rule 153(2)), Karla M.H. Peijs, Wilhelm Ernst Piecyk, Giovanni Pittella (for Michel J.M. Dary), Samuli Pohjamo, Bernard Poignant, Alonso José Puerta, Agnes Schierhuber (for Ingo Schmitt), Elisabeth Schroedter (for Josu Ortuondo Larrea), Dirk Sterckx, Maurizio Turco (for Bruno Gollnisch), Joaquim Vairinhos, Ari Vatanen, Herman Vermeer, Mark Francis Watts, Brigitte Wenzel-Perillo (for Carlos Ripoll i Martínez Bedoya), Jan Marinus Wiersma (for Garrelt Duin) and Joachim Wuermeling (for Margie Sudre pursuant to Rule 153(2)).

The opinion of the Committee on Employment and Social Affairs is attached.

The report was tabled on 22 March 2002.

The deadline for tabling amendments will be indicated in the draft agenda for the relevant part-session.

## MOTION FOR A RESOLUTION

### **European Parliament resolution on the Communication from the Commission on the impact of enlargement on regions bordering candidate countries – Community action for border regions (COM(2001) 437 – C5-0599/2001 – 2001/2250(COS))**

*The European Parliament,*

- having regard to the Commission Communication (COM(2001) 437 – C5-0599/2001),
  - having regard to the principle of economic and social cohesion enshrined in Article 158 of the EC Treaty, to the strengthening of which the Community has committed itself in order to promote its overall harmonious development,
  - having regard to the conclusions of the European Council meetings held in Berlin, Nice, Göteborg and Laeken,
  - having regard to its resolutions of 4 October 2000<sup>1</sup> and of 5 September 2001<sup>2</sup> on the enlargement of the European Union,
  - having regard to its resolution of 7 February 2002<sup>3</sup> and the Second Commission Report on Economic and Social Cohesion,
  - having regard to the Commission communication containing the First progress report on economic and social cohesion (COM(2002) 46),
  - having regard to the negotiating position on the chapters devoted to agriculture and regional policy submitted by the Commission in connection with the accession negotiations (SEC(2002) 102),
  - having regard to Rule 47(1) of its Rules of Procedure,
  - having regard to the report of the Committee on Regional Policy, Transport and Tourism and to the opinion of the Committee on Employment and Social Affairs (A5-0096/2002),
- A. whereas the enlargement of the European Union to include the countries of Central and Eastern Europe represents a historic opportunity to achieve the political and economic reunification of Europe in peace and democracy and in political and economic stability,
- B. whereas for the purposes of this Community action border regions are defined as regions bordering candidate countries including both land and sea borders,

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<sup>1</sup> OJ C 178, 22.6.2001, p. 112.

<sup>2</sup> Texts adopted, Item 7.

<sup>3</sup> Not yet published in the OJ.

- C. whereas the regions bordering the applicant countries are particularly affected by the structural risks of enlargement which will arise because of the enormous disparity in prosperity and therefore require a show of solidarity on the part of the Community,
- D. whereas some of the border regions in question have severe structural weaknesses compared with the average for the EU of Fifteen,
- E. whereas, on the occasion of previous enlargements, special measures were taken to support the structurally weak regions at the Community's external borders,
- F. whereas, in response to a call from the European Council and from this Parliament, the Commission has proposed a package of measures,
- G. whereas that package of measures will affect 33 million inhabitants in 23 border regions situated in 5 Member States,
- H. whereas, for the implementation of that package of measures, the Commission deems a budget of EUR 195 m to be sufficient to mitigate any adverse effects of enlargement on the border regions and to maintain the competitiveness of those structurally weak regions,
- I. whereas when the Union was enlarged towards the south, special funds totalling approximately ECU 250 m were provided to offset the consequences ensuing for the three regions bordering the acceding countries,
- J. whereas future generations will also be involved in the task of overcoming the enormous prosperity gap,
- K. whereas, with a view to the gradual approximation of living standards, temporary transitional measures will be needed with regard to freedom to provide services and the free movement of workers,
- L. whereas the forthcoming enlargement will provided the regions on both sides of the EU's current external borders with a new dynamism which both sides must exploit,
- M. whereas European integration promotes the coalescence of the European continent and territorial cohesion, and whereas the regions at the EU's current external borders, which, for half a century, marked the political and economic dividing line, may now become exemplary regions in terms of European cooperation,
  - 1. Emphasises the importance of the enlargement of the European Union in a bid to guarantee peace, political and economic stability and democratic society on the continent of Europe;
  - 2. Emphasises in particular the specific problems resulting from enlargement for regions located immediately adjacent to the border with the applicant countries; maintains that the exceptional burdens imposed on Objective 1 areas lying directly on a border will need to be taken properly into account;

3. Endorses the significance of Community support for such border regions as an expression of European solidarity in the sense of economic, social and territorial cohesion, all the more so since some of those regions still count among the most seriously disadvantaged within the EU;
4. Emphasises the need for a comprehensive strategy for the solution of the problems faced by the border regions in a concerted action undertaken by European, national, regional and local operators;
5. Points out that in particular the conurbations in the border regions will require a far greater share of compensating adjustments and restructuring during the integration of the applicant countries;
6. Proposes that the Community's sustainability dimension adopted by the EU summit in Stockholm (environmentally friendly economic activity, high level of employment and quality of work, prevention of poverty and social exclusion) should also be implemented, with appropriate indicators and objectives, in cooperation measures between the border regions; urges that action be taken with regard to the proposed integration of the applicant countries into the open methods of coordination being adopted in the areas of employment, education and training, social inclusion and pensions;

#### **The Community action for border regions**

7. Considers that the strategy proposed by the Commission is a first step towards tackling the specific problems of the border regions by means of a targeted package of measures;
8. Points out that the promotion of cross-border cooperation is fundamentally the task of the INTERREG Community initiative and, to maintain the coherence of the assistance instruments, should continue to be pursued first and foremost under that initiative;
9. Draws attention to the conclusions of the Nice European Council and its decision of 4 December 2000 to the effect that Community action is intended to bolster competitiveness in border regions;
10. Welcomes the Commission's intention to accelerate expansion of the transport infrastructure in the regions concerned by investing EUR 150 m via the TEN budget; emphasises that regional transport systems must be linked to the TENs and cross-border regional transport links developed; welcomes, in particular, the proposed increase to 20% in the EU's share in the co-financing of projects to create links to the applicant countries;
11. Supports a reorientation of the Community's structural policy instruments affecting the border regions in connection with enlargement and, accordingly, calls for the drawing-up of a catalogue of indicators – still to be defined – in order to be able to counteract in good time any social and economic problems that might arise; believes that specific assistance to border regions should be available in addition to the existing assistance options;
12. Calls on the Commission to do its utmost to ensure that the appropriations entered in the

2002 budget for SMUs in border regions are implemented, not least in view of the total failure to disburse the funds earmarked in the 2001 financial year, and calls for the provision of additional investment aid for SMUs in the border regions (training, technology, marketing, transfer of know-how) which are unable to cope with the pressures of adjustment on their own; emphasises, at the same time, that economic cooperation between them and cross-border efforts to improve initial and further training constitute a strategic base for the survival of SMUs on both sides of the border;

13. Confirms its view that effective support for SMUs from Community funds is possible only if application procedures are simplified and speeded up;
14. Emphasises the urgent nature of further coordination between the INTERREG and PHARE-CBC support mechanisms in order to guarantee the effective input of resources and cross-border added value;
15. Calls for an increase in the share of EU co-financing of projects in the border regions supported by the Community;
16. Calls on the Commission to undertake to clarify the definition of a 'border region', duly allowing for both land and sea borders, not least in the light of the Commission communication of 25 August 2001 setting out revised guidelines for the INTERREG III Community initiative;
17. Calls for the strengthening of programmes for cross-border cooperation to combat racism and xenophobia and for the full implementation of existing cooperation programmes to promote education and culture (Leonardo, Erasmus, Socrates, Youth, Culture 2000, Media Plus), most importantly in the fields of occupational training and foreign language teaching, further training and lifelong learning (in particular: mutual recognition of diplomas, university degrees and vocational qualifications with full involvement of the applicant countries, European occupational training passport, support for cross-border training courses, better use of and better safeguards for co-financing from Leonardo and other exchange programmes for trainees and young workers by the Member States);
18. Calls in addition for a strategy to enable male and female workers who will be particularly affected by EU enlargement (unskilled or older workers of both sexes, immigrants and women) to obtain vocational skills and for an improvement in the basic institutional conditions and funding options for further training;
19. Calls on the governments of the EU Member States to take effective measures against the organised illegal employment of workers within the EU and to introduce an electronic social security card to protect workers;
20. Calls for the coordinated common fight against illegal drug trafficking to be stepped up, as is already happening in several border regions;



### **The proposed endowment**

21. Considers the endowment of EUR 195 m originally envisaged by the Commission to be totally inadequate, given the scale of the task to be accomplished, not least because the proposal included no reference to any mobilisation of new resources to any appreciable extent;
22. Points out, given the meagre endowment, that the percentage envisaged for the trans-European networks under the action programme is too high, since the border regions will only be able to benefit indirectly from the extension of the TEN routes, although Europe has a direct interest in these links to the applicant countries;
23. Welcomes, therefore, most emphatically the agreement reached, at Parliament's behest, between the two arms of the budgetary authority on an increase of EUR 65 m in the endowment of this action programme for the border regions as a result of the mobilisation of the flexibility instrument;
24. Is convinced that this additional appropriation should be assigned to the solving of the specific problems faced by SMUs in the border regions; calls for the continuation, beyond 2003, of this aid to SMUs allocated on the initiative of the European Parliament; considers, therefore, that the proven instruments should continue to be optimised;
25. Is of the opinion that the long-standing experience acquired through the existing Euregio projects and the network thereof must be turned to account when implementing measures to aid the border regions concerned in this instance;

### **Temporary transitional measures**

26. Considers that, with the view to a phased introduction of the relevant provisions, the taking of temporary transitional measures for the border regions is sensible;
27. Calls, when implementing the agreed transitional periods with regard to the free movement of workers and to freedom to provide services, for the possibility to be created in the Member States of account being taken of regional and sectoral differences and, at regional level, for account to be taken of the input of, for example, businesses and trade unions when decisions are taken on the scope and scale of such measures;
28. Instructs its President to forward this resolution to the Council and Commission, to the governments and parliaments of the Member States and to the governments, parliaments and competent authorities of the border regions concerned.

## EXPLANATORY STATEMENT

### **The challenge posed by the forthcoming enlargement**

For the European Union, the forthcoming enlargement constitutes an unprecedented challenge. The number of Member States will practically double, and the population of the EU will increase by almost 50%. On the other hand, the EU's GDP will increase by not much more than 10%. However, it is not these figures which are of major importance, it is the political significance of this enlargement, one which is of an unparalleled historic dimension for the continent of Europe. Europe, for so long the theatre of armed conflicts and ideological dividing lines, is coalescing. Peace, democracy and prosperity – the pillars of an expanding European Union – are becoming common values for the peoples living on the continent of Europe.

In June 2001, the Göteborg European Council confirmed that the timetable for enlargement must enable the negotiations with those countries which were properly prepared for accession to be completed by the end of 2002, with the aim of their being able to take part, as Member States, in the elections to the European Parliament in 2004. Finally, the Laeken European Council held in December 2001 confirmed this prospect of accession with respect to Estonia, Latvia, Lithuania, Malta, Poland, the Slovak Republic, Slovenia, the Czech Republic, Hungary and Cyprus, provided that the current pace of negotiations was maintained.

2002 will, therefore, be a decisive year in the negotiations with the countries referred to above. On 30 January 2002, the Commission adopted, firstly, its proposals for the financing of enlargement in the fields of regional policy and agriculture and, secondly, the First progress report relating to the report on economic and social cohesion. The figures set out therein are of overwhelming importance for the applicant countries, since, out of the 56 regions in the applicant countries, just four regions attain a per capita GDP equal to 75% of the current EU average<sup>1</sup> and since agricultural policy is the Union policy which takes the largest share of the budget.

The Commission's proposals for the financing of both of these policy areas are therefore of fundamental significance if cohesion is to be guaranteed between the Member States of a future Union of this nature with regional disparities which, according to the First progress report, will double, and if even greater priority is to be given to the efforts to achieve economic and social cohesion.

The figures put forward by the Commission which, in the area of structural policy, relate to 2004-2006, the remaining three years of the Berlin Package, will now be incorporated in the negotiating positions with the individual applicant countries and, subsequently, make it possible for the negotiations to be concluded by the end of this year.

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<sup>1</sup> Eurostat press release 13/2002, 29 January 2002.

However much the forthcoming enlargement represents a challenge to the European Union and to the applicant countries, it is, in particular, also a challenge to the regions which will experience this enlargement most directly: the regions bordering on the applicant countries.

### **The situation in the border regions**

The definition used by the Commission in its communication leads to the designation of 23 border regions with a population of 33 million. Of that number, two are in Finland, eight in Germany, six in Austria, two in Italy and five in Greece. Among the 23 border regions are two densely populated capital city areas (Berlin and Vienna) and one area surrounding a capital city (Helsinki).

In general terms, the regions concerned are very heterogeneous in terms of income, labour market dynamics, infrastructure and human resources. In comparative EU terms, the regions on the Greek mainland are in the most difficult situation economically, the Greek island regions and the East German *Länder* the most backward, and the remaining regions relatively well developed.

It is, however, not so much the current situation which gives rise to most concern but rather the possible impact of an enlargement on these regions which currently lie directly at the EU's external borders. The adjacent regions in the applicant countries have an altogether lower per capita GDP in purchasing power parity. Above all, the cost of living and labour costs are appreciably lower in those regions. There is, therefore, at the current external frontiers, a prosperity gap with a ratio of as much as ten to one (i.e. on a scale unknown within the EU), depending on the study and parameters selected.

Such a prosperity gap entails hidden risks in the event of the relevant provisions being introduced all at once. Some branches and service sectors will be subject to severe pressure; migratory movements and minor cross-border traffic is to be expected wherever major regional and supraregional centres with high added value are located very close to borders (Berlin, Dresden, Linz, Vienna, Graz, Trieste and Udine) and are, hence, within easy reach as a place of work. However, the readiness of people to migrate or commute after enlargement to include the countries of Central and Eastern Europe remains ultimately imponderable, despite the number of studies carried out in this field.

The imponderability of the predictions and the potential impact of the forthcoming enlargement have prompted the regions to take action and to call for special consideration to be given to their situation as part of the enlargement process. The demands drawn up by the regions and by the most affected Member States point fundamentally in two directions: on the one hand, they want enlargement to be mitigated by transitional periods in some fields (with particular regard to freedom to provide services and the free movement of workers) and, on the other, they want economic support for the border regions to be provided by a programme specially drawn up in preparation for enlargement.

Your rapporteur takes the view that these demands are more than justified by the scale of the prosperity gap and by precedent, for example when the Community was enlarged to include Spain and Portugal. The institutions and the Member States of the EU have also accepted this view of the situation, although not always to the extent hoped for by the border regions.

## **The proposed measures and the issue of the endowment**

In December 2000, the Nice European Council called on the Commission to propose a programme to strengthen the competitiveness of the border regions. The Commission complied with that request by submitting the Communication on the border regions (COM(2001) 437), dated 25 July 2001, which serves as the basis for this report.

The action plan proposed by the Commission includes a broad catalogue of measures and additional aid totalling EUR 195 m, of which EUR 150 m is assigned to the expansion of the transport infrastructure as part of the trans-European networks.

The proposed measures cover cross-border cooperation (INTERREG-PHARE-CBC), aid for small and medium-sized undertakings, a special EIB programme to support investment in environmental and transport projects, the allocation of additional appropriations to the YOUTH programme and full use of all the opportunities provided by state aid and rural development programmes.

The period before adoption of this action programme was marked by lively disputes, and its adoption was received with virtually total opposition from the regions concerned. In particular, the endowment of the programme was – and still is – rightly criticised as being totally inadequate. Although the Commission argued that the two major net contributors, Germany and Austria, had refused to provide more funds for the programme, that argument cut no ice with the border regions involved.

In order nevertheless to improve this programme designed to cushion the impact of enlargement in the border regions, MEPs from the border regions took the initiative themselves. By using the procedure for the establishment of the 2002 budget, they managed to push through an increase of an additional EUR 65 m, of which EUR 50 m was entered in the 2002 budget and EUR 15 m in the 2003 budget. This small tactical victory may provide satisfaction for the border regions directly affected by enlargement, but, given the overall meagre endowment of the action programme for the border regions, it is no more than a drop in the ocean.

Your rapporteur considers that the approach set out in the Commission communication is fundamentally sound. The action programme is wide-ranging and seeks to address the major problems of the structurally weak regions. However, the weighting within the action programme is skewed because the endowment is generally inadequate. Given an estimated doubling of traffic between the old and new Member States, concentration on the transport infrastructure is basically correct. However, the TEN corridors envisaged as links to the applicant countries will not only be of use to the regions involved, they are also of paramount importance from a pan-European point of view.

However, aid for SMUs, which is of vital importance, receives very short shrift in the overall underfunded programme. The increase in appropriations should, therefore, serve to redress the balance. In addition, aid for SMUs should continue to be covered via a separate item under Heading 3, even after 2003.

An effective company location policy will be crucial in the labour-intensive, high-tech sectors, in other words in those sectors which will benefit most from being situated close to borders when enlargement takes place.

### **Temporary transitional measures**

In addition to the proposed action programme, your rapporteur considers that temporary transitional measures are necessary with regard to freedom to provide services and the free movement of workers in order to ensure a phased introduction of the relevant provisions opening up with simultaneous approximation as regards the prosperity gap. It will probably not be possible to bridge that gap within one generation, but prudent action will mitigate the consequences.

At national level, however, it should be possible for consideration to be given on an annual basis to the various requirements at regional and sectoral level so that the transitional measures instrument may be implemented as selectively and as effectively as possible. Europe-wide solutions might be too inflexible in this instance.

With regard to these two fields, the European Union has already managed to have adopted common negotiating positions which have also largely been provisionally accepted by the applicant countries. The application of these rules over the agreed seven-year period will be based on reciprocity, so that the new Member States will also be able to take corresponding measures.

### **The future of the border regions: the dynamics of a coalescing area**

With enlargement, the border regions, especially those in Central Europe, will emerge from a half-century of being located, to their extreme disadvantage, at the edge of a Europe divided by the Iron Curtain, and they will now shift more and more towards the centre of the future Europe. These regions enjoy enormous opportunities as a result of the very history of this striking border area and as cultural and linguistic bridges. Ten years after the fall of the Iron Curtain and the collapse of the Soviet Union, the border areas have already visibly coalesced as a concept. Cross-border cooperation is bearing its first fruits, EUREGIO areas are being created, and understanding which transcends geographical, cultural and linguistic boundaries is buttressing good-neighbourly relations.

The growth prospects to be expected from enlargement should bring a new dynamism to these border regions. The measures proposed for the border regions will serve to ensure that, from the outset, this new dynamism benefits the regions on both sides of the EU's current external borders. As standards of living on either side of the future internal border grow closer in the longer term, future generations will forget that these areas were, once upon a time, cut off from economic and political development.

29 January 2002

## **OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS**

for the Committee on Regional Policy, Transport and Tourism

on the impact of enlargement on regions bordering candidate countries – Community action for border regions  
(COM(2001) 437 – C5-0599/2001 – 2001/2250(COS))

Draftsman: André Brie

### **PROCEDURE**

The Committee on Employment and Social Affairs appointed André Brie draftsman at its meeting of 9 October 2001.

It considered the draft opinion at its meetings of 19/20 November 2001, 4 December 2001 and 7/8 January 2002.

At the last meeting it adopted the following conclusions unanimously.

The following were present for the vote: Michel Rocard, chairman; Winfried Menrad and Marie-Thérèse Hermange, vice-chairmen; André Brie, draftsman; Jan Andersson, Elspeth Attwooll (for Luciano Caveri), Regina Bastos, Philip Bushill-Matthews, Alejandro Cercas, Luigi Cocilovo, Elisa Maria Damião, Proinsias De Rossa, Harald Ettl, Jillian Evans, Carlo Fatuzzo, Ilda Figueiredo, Hélène Flautre, Marie-Hélène Gillig, Anne-Karin Glase, Richard Howitt (for Ieke van den Burg), Stephen Hughes, Anne Elisabet Jensen (for Daniel Ducarme), Ioannis Koukiadis, Rodi Kratsa-Tsagaropoulou, Raffaele Lombardo, Elizabeth Lynne, Thomas Mann, Mario Mantovani, Helmuth Markov (for Sylviane H. Ainardi, pursuant to Rule 153(2)), Paolo Pastorelli (for María Antonia Avilés Perea), Manuel Pérez Álvarez, Bartho Pronk, Herman Schmid, Miet Smet, Helle Thorning-Schmidt, Anne E.M. Van Lancker, Barbara Weiler and Sabine Zissener (for Guido Podestà).

## SHORT JUSTIFICATION

This communication from the Commission deals with the situation of border regions and the likely effects of enlargement, the existing Community support to, and possible further measures to strengthen the competitiveness of, border regions.

The economic gap between the Member States and candidate countries is especially clear in the border regions. Although the border regions will in the long term be in a position to benefit from enlargement and the resulting integration with the economies of neighbouring countries, they have however first of all to come to terms with an extensive adjustment process. Many border regions have in addition to cope with the disadvantages of a continuing high degree of employment in agriculture and a comparatively underdeveloped service sector or a lack of infrastructure, such as for example missing links with the neighbouring country.

The action programme provides first of all for more efficient use of the available Community instruments by better coordination of the various measures in favour of the border regions. Secondly, the Commission provides for higher investment in transport infrastructure in the framework of the trans-European networks (€150 m), pilot projects for small and medium-sized enterprises and networking measures in the framework of Interreg and youth exchanges (a total of €45 m).

Your draftsman agrees with the Commission that 'Enlargement can only succeed if it is a social project'.<sup>1</sup> People in border areas are after all most directly affected by enlargement. For the enlargement process to be successful, it is therefore vitally important to open up the cross-border potential in these regions for cooperation with a view to sustainable ecological, social and economic development.

Your draftsman welcomes the fact that following lengthy internal negotiations the Commission finally intends to set in motion Community action for border regions. However, he regards the financial framework of €195 m up to the year 2006 for 23 border regions in Germany, Austria, Italy, Greece and Finland as insufficient for the purpose of providing the impetus for socially and environmentally sustainable economic development with more and better jobs in the border regions. The three border regions of Aquitaine, Languedoc-Roussillon and Midi-Pyrénées in the south of France alone received special appropriations of approximately ECU 250 m when the EU enlarged southwards. In addition, €20 m of the aid programme proposed by the Commission is funded by transfers between the existing Interreg III A programmes. That sum also includes €15 m which the European Parliament had already entered for cooperation measures for SMEs.

The Commission states moreover that €146 m is being made available in Interreg funds up to the year 2006 for the regions of EU Member States bordering candidate countries, but only approximately €109 000 m in additional appropriations for the regions of the candidate countries bordering the EU. The Community action intends to make available to border regions in the applicant countries only €50 m for the environment and transport sector. The per capita GDP of the majority of the border regions of the candidate countries is not even half of that of their partner border regions in the Member States. In this respect too the aid

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<sup>1</sup> Commission: Enlargement Strategy Paper, Brussels, November 2000, p. 6.

given to the border regions in the candidate countries seems to be totally inadequate. Unless the level of prosperity is convergent in the medium term, enlargement can hardly become the 'social project' which the Commission desires for the border regions concerned. On the contrary, there is a danger of strengthening xenophobia and nationalism.

Your draftsman therefore urges the Commission substantially to increase the appropriations to border regions with structural weaknesses. The regions concerned in the Member States expect the financial framework previously laid down to be doubled.

The objectives proclaimed *inter alia* by the Lisbon and Stockholm EU summits (full employment, more and better jobs, quality of work, high-quality social policy and the dimension of sustainability) must be regarded as central guidelines for Community action. Community action must give priority to supporting integral cross-border projects and programmes in the border regions. European, national, regional and local policies in the fields of employment, economic promotion, training and further training, the environment, social, regional and structural policy should take an integrated approach. Your draftsman considers that the rapid development of cross-border employment, economic and labour market policy is an essential condition in this connection in order to ensure freedom of movement for workers as quickly as possible.

## CONCLUSIONS

The Committee on Employment and Social Affairs calls on the Committee on Regional Policy, Transport and Tourism, as the committee responsible, to incorporate the following points in its motion for a resolution:

1. Welcomes the Commission's initiative concerning a single Community action for regions bordering candidate countries; regards the total appropriations proposed by the Commission for the border regions of the EU and of the candidate countries as insufficient; calls on the Commission to examine in detail ways of increasing these appropriations; points out that in particular the conurbations in the border regions will require a far greater share of compensating adjustments and restructuring during the integration of the applicant countries;
2. Proposes that the Community's sustainability dimension adopted by the EU summit in Stockholm (environmentally friendly economic activity, high level of employment and quality of work, prevention of poverty and social exclusion) should also be implemented, with appropriate indicators and objectives, in cooperation measures between the border regions; urges that action be taken with regard to the proposed integration of the applicant countries into the open methods of coordination being adopted in the areas of employment, education and training, social inclusion and pensions;



3. Calls for Community action to develop a cross-border employment and labour market policy to focus particularly on: support for cross-border regional employment pacts and for cross-border regional labour market development monitoring, and the strengthening and extension of the European Employment Services Network; proposes in addition stepping up regional cooperation over social affairs, whilst complying with the principle of subsidiarity and taking into account regional differences and characteristics, and including the relevant actors in municipal and regional authorities, trade unions, employers' associations, associations of unemployed persons, charitable associations and initiatives in favour of women; refers in this connection to the requests made by the 28 chambers of industry and commerce of the border regions;
4. Calls for the setting-up of collective bargaining information and cooperation systems by strengthening the social dialogue and introducing strong structures for representative bodies, such as for example trade unions, in the applicant countries;
5. Calls for Community action for the coordination of social affairs through cross-border cooperation also to focus in particular on combating poverty and social exclusion, promoting health protection and safety at the workplace, providing housing and housing advisory services, promoting women, providing medical care and social welfare, and effectively combating illegal unemployment;
6. Calls for the strengthening of programmes for cross-border cooperation to combat racism and xenophobia and for the full implementation of existing cooperation programmes to promote education and culture (Leonardo, Erasmus, Socrates, Youth, Culture 2000, Media Plus), most importantly in the fields of occupational training and foreign language teaching, further training and lifelong learning (in particular: mutual recognition of diplomas, university degrees and vocational qualifications with full involvement of the applicant countries, European occupational training passport, support for cross-border training courses, better use of and better safeguards for co-financing from Leonardo and other exchange programmes for trainees and young workers by the Member States);
7. Calls in addition for a strategy to enable male and female workers who will be particularly affected by EU enlargement (unskilled or older workers of both sexes, immigrants and women) to obtain vocational skills and for an improvement in the basic institutional conditions and funding options for further training;
8. Draws urgent attention to the problems of sex tourism, child prostitution and trafficking in women in some border regions; calls on the Commission and the governments concerned to strengthen cross-border programmes for training and help for prostitutes in border areas to rehabilitate and reintegrate them into working life and for the provision of care by social workers and the improvement of health protection, and to target more effectively cooperation programmes and Europol action in combating child prostitution and trafficking in women;

9. Calls for any decisions on transitional periods in respect of freedom of movement for workers and freedom to provide services to be taken in accordance with the different regional and sectoral circumstances and for it to be compulsory to involve the regional parties concerned when taking those decisions;
10. Calls on the governments of the EU Member States to take effective measures against the organised illegal employment of workers within the EU and to introduce an electronic social security card to protect workers;
11. Calls for the coordinated common fight against illegal drug trafficking to be stepped up, as is already happening in several border regions.